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**UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION**

2009 FEB 25 AM 9:26

CLERK, US DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

**FEDERAL TRADE COMMISSION,**

**Plaintiff,**

**v.**

**GROUP ONE NETWORKS, INC., a  
corporation also d/b/a Credit Line Gold  
Card, The USA Workers,  
TheUSAWork.com, and  
TheUSAWorkers.com;**

**US GOLD LINE, LLC, a corporation also  
d/b/a USGoldLine.com, Gainesway Credit,  
and GaineswayCredit.com;**

**MY ONLINE CREDIT STORE, LLC, a  
corporation also d/b/a  
MyOnlineCreditStore.com,  
MYOnlinecr.com, Diamond Executive,  
NewECredit, and NewECredit.com;**

**JAMES NICHOLSON, individually and as  
President of Group One Networks, Inc., and  
Manager of US Gold Line, LLC and My  
Online Credit Store, LLC;**

**and**

**BRETT FISHER, individually and as Chief  
Executive Officer of Group One Networks,  
Inc., and Manager of US Gold Line, LLC  
and My Online Credit Store, LLC,**

**Defendants.**

Case No.

8:09-cv-00352-T-26 MAP

**COMPLAINT FOR  
PERMANENT INJUNCTION  
AND OTHER EQUITABLE  
RELIEF**

Plaintiff, the Federal Trade Commission ("FTC"), for its complaint alleges:

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1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101 - 6108, to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement of ill-gotten monies, and other equitable relief for defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation of the FTC’s Telemarketing Sales Rule, 16 C.F.R. Part 310.

### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), and 6105(b).

3. Venue is proper in this District under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

### **PLAINTIFF**

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41 - 58. The FTC is charged, *inter alia*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair and deceptive acts or practices in or affecting commerce. The FTC is also charged with enforcement of the Telemarketing Act, 15 U.S.C. §§ 6101 - 6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the Telemarketing Sales Rule, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the Telemarketing Sales Rule, and to secure such equitable relief as may be appropriate in each case, including restitution and disgorgement. 15 U.S.C. §§ 53(b), 57b, 6102(c), and 6105(b).

**DEFENDANTS**

5. Defendant Group One Networks, Inc. (“Group One”) is a Florida corporation with its principal place of business at 2300 Tall Pines Drive #126, Largo, FL 33771. Group One also does business as Credit Line Gold Card, The USA Workers, TheUSAWork.com, and TheUSAWorkers.com. Group One transacts or has transacted business in this District.

6. Defendant US Gold Line, LLC (“US Gold Line”) is a Florida corporation with its principal place of business at 2300 Tall Pines Drive #126, Largo, FL 33771. US Gold Line also does business as USGoldLine.com, Gainesway Credit, and GaineswayCredit.com. US Gold Line transacts or has transacted business in this District.

7. Defendant My Online Credit Store, LLC (“My Online Credit Store”) is a Florida corporation with its principal place of business at 2300 Tall Pines Drive #126, Largo, FL 33771. My Online Credit Store also does business as MyOnlineCreditStore.com, MyOnlinecr.com, Diamond Executive, NewECredit, and NewECredit.com. My Online Credit Store transacts or has transacted business in this District. (Group One, US Gold Line, and My Online Credit Store are hereinafter referred to as “the Group One Corporate Defendants.”)

8. Defendant James L. Nicholson (“Nicholson”) is the president and owner of Group One Networks, Inc., and a manager of US Gold Line, LLC and My Online Credit Store, LLC. Nicholson resides in, and transacts or has transacted business in, this District. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of the Group One Corporate Defendants, including the acts and practices set forth in this complaint.

9. Defendant Brett Fisher (“Fisher”) is the Chief Executive Officer and vice-president of Group One Networks, Inc., the Chief Executive Officer and a manager of US Gold

Line, LLC, and a manager of My Online Credit Store, LLC. Fisher resides in, and transacts or has transacted business in, this District. At all times material to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of the Group One Corporate Defendants, including the acts and practices set forth in this complaint.

### **COMMERCE**

10. At all times relevant to this complaint, Defendants have maintained a substantial course of trade or business in the offering for sale and sale of goods or services via the telephone, in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

### **COMMON ENTERPRISE**

11. The Group One Corporate Defendants have operated and functioned as a common business enterprise while engaging in the deceptive and unfair acts and practices alleged in this complaint. Because the Group One Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the deceptive and unfair acts and practices alleged below.

### **DEFENDANTS’ BUSINESS PRACTICES**

12. Defendants are sellers of advance-fee credit cards.

13. Defendants are also telemarketers and initiate outbound telephone calls to consumers throughout the United States to induce the purchase of advance-fee credit cards.

### **Credit Line Gold Card and US Gold Line**

14. From at least September 2006 to at least December 2007, Defendants telemarketed the Credit Line Gold Card.

15. From at least November 2007 until June 2008, Defendants telemarketed the US Gold Line card.

16. Defendants have telemarketed both the Credit Line Gold and US Gold Line “credit cards” in the guise of general-purpose, “zero interest/no fee” credit cards with a credit line of \$2,500 to \$10,000.

17. In telemarketing the Credit Line Gold and US Gold Line credit cards, Defendants have aggressively targeted consumers with either bad or little credit.

18. Defendants and their telemarketers have represented to consumers that they were calling because the consumers had recently been turned down for a loan or credit card due to the consumers’ poor credit, and that Defendants were in the business of helping consumers improve and rebuild their credit.

19. In the course of promoting their so-called credit cards, Defendants have made a panoply of representations to consumers about Defendants’ credit cards, including that:

a. Defendants’ credit cards can be used to make purchases in department stores and supermarkets, pay utility bills, or for any other purpose that a general-purpose credit card, such as a MasterCard or Visa, could be used;

b. consumers can receive cash advances against the credit cards’ line of credit, and that Defendants’ telemarketers need consumers’ bank account information so that Defendants can deposit future cash advances against the credit cards’ line of credit into consumers’ bank accounts; and

c. Defendants report customers’ line of credit and regular payments to the major credit bureaus, and in particular to TransUnion, and that Defendants’ reporting will improve and rebuild consumers’ credit more effectively than regular credit cards.

20. Defendants have told consumers that, to obtain the credit card, consumers must pay \$200 or \$250 in advance by authorizing Defendants to deduct this sum from consumers' bank accounts.

21. Defendants have given consumers a variety of rationales for requiring the \$200 or \$250 advance fee. They have said it is: (1) an application fee; (2) a deposit; or (3) a way by which Defendants can ascertain the consumers' creditworthiness in lieu of performing a credit check.

22. Defendants have told consumers that the value of the advance fee will be returned to the consumers in the form of four or five \$50 vouchers that consumers can use, just like cash, to pay make their monthly payments to Defendants for items purchased with the credit cards.

23. After consumers have provided Defendants with their bank account information, Defendants usually play a pre-recorded message that is spoken very quickly and is difficult to hear or understand. The pre-recorded message does not include many of Defendants' initial representations, such as that the credit card can be used for any purpose that a general-purpose credit card can be used.

24. Indeed, the hard to understand, pre-recorded message has contained disclosures omitted from Defendants' initial representations, including that: (1) the credit card is actually a merchant finance account; (2) the credit card can be used only at "approved online vendors"; (3) Defendants require a down payment for items purchased with the card; (4) Defendants charge numerous fees, including a monthly participation fee in 1<sup>st</sup> Credit Improve, a credit monitoring program, and an "account monitoring fee" debited at three and six months after activation of the account; and (5) the advance fee is non-refundable.

25. After playing the pre-recorded message, Defendants have recorded consumers authorizing Defendants to debit the advance fee from consumers' bank accounts. After recording consumers' authorization, Defendants have told consumers that they will receive a package in the mail within seven-to-ten business days that contains the credit card, the vouchers, and other information.

26. In numerous instances, after debiting the advance fee from consumers' bank accounts, Defendants have failed to mail the credit card package to consumers.

27. Ultimately, consumers have discovered that Defendants are not providing them with a general-purpose credit card, but instead have sold them an online credit card (also referred to as an "online shopping card") that can only be used at a limited selection of catalog websites.

28. Consumers who have visited Defendants' catalog websites have found that the websites contain a small selection of products, many with brand names that consumers never heard of.

29. Consumers who have attempted to purchase items from the websites find that purchases carry substantial shipping and handling fees.

30. Furthermore, consumers cannot receive cash advances against Defendants' credit cards' line of credit.

31. Additionally, Defendants have failed to disclose material information concerning their advance-fee cards, including that:

- a. Defendants charge consumers a \$29.95 account monitoring fee at three and six months after activation of the account by electronically debiting such amount from consumers' bank accounts;

b. Defendants charge consumers a monthly or weekly fee for participation in a credit monitoring program, 1<sup>st</sup> Credit Improve, by electronically debiting such amount from consumers' bank accounts;

c. Defendants require down payments of 20% to 80% of the purchase price of items purchased with the cards, and impose substantial shipping and handling fees, all of which Defendants electronically debit from the consumers' bank accounts prior to shipping the items;

d. the \$50 dollar vouchers Defendants provide consumers in return for the advance fee cannot be combined on any one purchase or used to pay any of Defendants' mandatory down payments or shipping and handling fees;

e. Defendants reserve the right not to report consumers' line of credit to major credit bureaus; and

f. the advance fee is non-refundable.

32. From at least November 2007 until June 2008, during their US Gold Line card telemarketing campaign, Defendants called, or caused telemarketers to call, consumers' telephone numbers that are on the National Do Not Call Registry.

33. From at least November 2007 until June 2008, during their US Gold Line card telemarketing campaign, Defendants called, or caused telemarketers to call, telephone numbers in various area codes without first paying the annual fee for access to the telephone numbers within such area codes that are included in the National Do Not Call Registry.

34. In numerous instances, during the course of its outbound telemarketing operations, Defendants have called consumers who have previously stated that they do not wish































