Feb. 1, 2010

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA

STEVEN M. LARIMORE CLERK U.S. DIST. CT. S.D. OF FLA. MIAMI

Case No. _

10-80191-Civ-Marra/Johnson

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

RESOURCE PUBLISHING CO., a corporation, also d/b/a Entertainment Work, Inc., and Resource Publishing Co. of Delaware,

JASON ARTHUR BARNES, individually and as an officer of Resource Publishing Co., and

RACQUELLE HART BARNES, individually and as an officer of Resource Publishing Co.,

Defendants.



COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

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

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission

Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive

relief, rescission or reformation of contracts, restitution, the refund of monies paid, 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), in connection with the sale of purported

employment services.

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) and 53(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. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings by its own attorneys to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) & 56(a)(2)(A).

DEFENDANTS

6. Defendant Resource Publishing Co., ("Entertainment Work") also doing business as Entertainment Work, Inc., and Resource Publishing Co. of Delaware, is a Delaware corporation with its principal place of business listed in Florida public records as 4521 PGA Blvd #421, Palm Beach Gardens, Florida. In connection with the matters alleged in this Complaint, Entertainment Work transacts or has transacted business in the Southern District of Florida.

7. Defendant Jason Arthur Barnes is the president of Entertainment Work. At times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Jason Arthur Barnes resides in the Southern District of Florida and, in

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connection with the matters alleged herein, transacts or has transacted business in the Southern District of Florida.

8. Defendant Racquelle Hart Barnes is the vice president, secretary, and treasurer of Entertainment Work. At times material to this Complaint, acting alone or in concert with others, she has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Racquelle Hart Barnes resides in the Southern District of Florida and, in connection with the matters alleged herein, transacts or has transacted business in the Southern District of Florida.

COMMERCE

9. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS ACTIVITIES

10. Since at least May 2007, Defendants have conducted a nationwide advertising and telemarketing scheme to sell purported employment services to consumers residing throughout the United States.

Promotion of Defendants' Website Memberships

11. Defendants place classified advertisements in the employment sections of local newspapers throughout the United States. The advertisements announce the availability of work as "extras" for movies, television, or print media, at a specified wage range. The advertisements invite readers to call a toll-free telephone number. The following ad, which was placed by Defendants in the Sunday, September 6, 2009, edition of *The Washington Post*, is typical:

Movie Extras \$100-\$300/day. All Looks, Types/Ages. TV, Film & Print 800-340-8404 x 2127

12. Defendants also post or cause to be posted online classified advertisements. The

online advertisements announce the availability of work as extras for movies, television, or print

media, at a specified wage range. The online advertisements invite readers to call a toll-free

telephone number. The following excerpt is typical:

MOVIE EXTRAS - All Looks and Types - Make up to \$100 - \$300 per day!

Movie & Television Extras Needed

• • •

Because most Extras are not required to speak, they absolutely don't need any experience in the entertainment business. There are also no physical requirements – movie makers need individuals of all shapes and sizes to represent groups of real people.

Available: Monday - Sunday

To speak with a casting manager call : 1-800-340-8404 ext 2301

* If you are sick of your customer service or marketing job or you have dreamed of a job in Television or Movies, let us help you to break away from your driver, restaurant or a [sic] clerical job and find an exciting opportunity as an extra!

• • •

* We are looking for people from all backgrounds, so even if you have no experience in the entertainment industry and have worked only as an administrative assistant, manager, animal trainer, designer, waiter/waitress or a fitness coach, we'd love to hear from you!

13. When consumers call the toll-free telephone number listed in Defendants'

advertisements, Defendants' telemarketers ask consumers where they live. Defendants'

telemarketers then inform consumers that jobs as extras are available in or near the consumers'

geographic areas. Defendants' telemarketers state that, by purchasing Defendants' service, consumers will obtain access to listings of these jobs on Defendants' website, entertainmentwork.com. Defendants' telemarketers further state that consumers will be able to obtain the jobs listed on Defendants' website without regard to the consumers' experience, skills, or appearance. Defendants' telemarketers state that the jobs listed on Defendants' website pay \$100 to \$300 per day.

14. Defendants' telemarketers require purchasing consumers to provide credit card or debit card information to pay a charge, typically \$19.95, for a fourteen-day trial membership to Defendants' website. Defendants' website allows consumers to purchase a trial membership to Defendants' website for a charge, typically \$24.95, without speaking with Defendants' telemarketers.

15. Defendants provide purchasing consumers with a user name and password for accessing the Entertainment Work website. As members of the Entertainment Work website, consumers can create and post profiles of themselves and search for job postings to which to submit their profiles.

16. In many instances, consumers who purchase Defendants' employment service find that Defendants' website does not list opportunities to work as an extra in movies, television, or print media that are currently available in or near consumers' geographic areas. In many instances, consumers instead find that there are few job postings for their geographic areas, that many or all of those postings have already expired, and/or that the unexpired postings do not advertise positions for inexperienced "extras," but instead advertise positions for entertainers or performers with specific experience or skills.

Cancellation of Defendants' Website Memberships

17. Defendants inform consumers that, if they do not take affirmative action to cancel

their trial memberships within the trial period, they will automatically be charged or debited an additional fee, typically \$80.00, for a one-year membership to Defendants' website. Defendants inform consumers that they can cancel their memberships within the trial period to avoid additional financial obligations.

18. In numerous instances, consumers who attempt to cancel their memberships within the trial period are unable to do so because of policies and practices adopted by Defendants that make it difficult for consumers to cancel and avoid additional charges. In numerous instances, Defendants fail to disclose or disclose adequately to consumers these policies and practices before consumers purchase their trial memberships.

19. In numerous instances, Defendants' telemarketers tell consumers that they can cancel their memberships by calling a toll telephone number, 561-266-0239. The "Contact Us" page of Defendants' website instructs consumers that "to cancel your account please follow the instructions outlined in the letter you received." Some consumers who purchase a trial membership to Defendants' website never receive this letter (the "Welcome Letter"), the specific contents of which have varied over time. Consumers who do receive a Welcome Letter from Defendants find either that (a) the Welcome Letter does not include any cancellation information or instructions, or, (b) the Welcome Letter instructs consumers to call Entertainment Work's "member services department" to either cancel or obtain cancellation instructions, but does not provide a telephone number to call. According to the "Contact Us" page of Defendants' website, the telephone number for "Member Services" is the same toll telephone number provided by Defendants' telemarketers: 561-266-0239.

20. In numerous instances, consumers attempting to cancel their membership have had to call repeatedly Defendants' toll telephone number—or, having reached the number, have been put on hold for extended periods of time—before being connected with a representative.

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Some consumers are unable to cancel their memberships within the trial period because their calls to Defendants' toll telephone number are not answered. Consumers who are able to speak with Defendants' representatives at the toll telephone number are told that a substantial fee, usually \$15.00, will be imposed to cancel their memberships by telephone. In most, if not all, instances, this fee was not previously disclosed to the consumer.

21. Defendants' representatives additionally tell consumers that they can cancel their memberships through an Internet webpage without incurring a cancellation fee. The address of this Internet webpage can be obtained only from Defendants' representatives at Defendants' toll telephone number. Defendants do not list the cancellation webpage's address on their website, entertainmentwork.com, or in their Welcome Letter.

22. Defendants require consumers who access the cancellation webpage to provide multiple pieces of information in order to cancel the consumers' memberships. The specific information required has varied over time, but has included information such as the consumer's e-mail address, the consumer's ten-digit telephone number, the last four digits of the consumer's credit card number, and an "RMA auth code." Defendants purport to provide consumers with this "RMA auth code" in their Welcome Letters. In numerous instances, consumers are unable to cancel their memberships through the cancellation webpage because they have not received the Welcome Letter containing the "RMA auth code" necessary to Defendants' cancellation procedure. Other consumers who attempt to cancel their memberships through the cancellation webpage are unsuccessful because, at the time that the consumers attempt to cancel, the webpage is inaccessible.

23. Defendants require consumers who access and complete the cancellation webpage procedures to take yet another step to cancel their memberships and avoid additional charges. Under Defendants' cancellation procedure, consumers who enter all required information into

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the cancellation webpage are supposed to receive an e-mail message from Defendants. Defendants' e-mail states: "You understand the fees incurred are non-refundable and as of today, no further billing will take place." Several lines below that statement, and directly above a hyperlink, the e-mail requests that consumers "[p]lease click on the link below to confirm that you want to cancel your account." If consumers who attempt to cancel through the cancellation webpage do not click on the hyperlink contained in this e-mail message, Defendants do not cancel their memberships.

24. Some consumers who access Defendants' cancellation webpage and enter all required information never receive the e-mail message necessary to complete Defendants' cancellation procedure. Other consumers receive the cancellation e-mail but are still unsuccessful in cancelling their memberships, either because they do not click on the confirmation hyperlink in the e-mail or because their use of the confirmation hyperlink is not acknowledged by Defendants.

VIOLATIONS OF THE FTC ACT

25. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce."

26. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

COUNT I

False Representation Regarding Opportunities to Work as Extras

27. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of memberships to their employment website, Defendants represent, directly or indirectly, expressly or by implication, that their website lists opportunities to work as extras in movies, television, or print media that are available without regard to consumers'

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experience, skills, or appearance, and that are currently available in or near consumers' geographic areas.

28. In truth and in fact, in numerous instances in which Defendants make the representation set forth in Paragraph 27 of this Complaint, Defendants' employment website does not list opportunities to work as extras in movies, television, or print media that are available without regard to consumers' experience, skills, or appearance, and that are currently available in or near consumers' geographic areas.

29. Therefore, Defendants' representation as set forth in Paragraph 27 of this Complaint is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

Failure to Disclose Material Aspects of Membership Cancellation

30. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of memberships to their employment website, Defendants represent, directly or indirectly, expressly or by implication, that consumers will be able to cancel their memberships to Defendants' employment website within the trial period to avoid additional financial obligations.

31. In numerous instances, Defendants fail to disclose, or to disclose adequately, to consumers material aspects of Defendants' membership cancellation policies and procedures, including:

 a. that Defendants charge a substantial fee, usually \$15.00, to cancel memberships by telephone;

- b. the address of the Internet webpage at which consumers can cancel their memberships without incurring a cancellation fee;
- c. that consumers will be required to provide multiple pieces of information,
 including a "RMA auth code," in order to cancel their memberships
 through the Defendants' cancellation webpage;
- d. that the sole source of the "RMA auth code" needed to cancel
 memberships through the Defendants' cancellation webpage is a Welcome
 Letter that, in numerous instances, consumers do not receive; and
- e. that Defendants' procedure for cancelling by webpage additionally requires that consumers who enter all required information into Defendants' cancellation webpage receive a subsequent e-mail from Defendants and click on a hyperlink within that e-mail.

32. Defendants' failure to disclose or to disclose adequately the material information set forth in Paragraph 31, above, in light of the representation described in Paragraph 30, constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

33. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

34. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations

of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to a temporary restraining order, a preliminary injunction, and an order freezing assets;

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

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February 1, 2010

Respectfully submitted,

Willard K. Tom General Counsel

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Daniel O. Hanks (Bar No. A5501278) Philip Tumminio (Bar No. A5501062) Federal Trade Commission 600 Pennsylvania Avenue NW Washington, DC 20580 (202) 326-2472, -2004 (direct) (202) 326-3395 (facsimile) dhanks@ftc.gov; ptumminio@ftc.gov

Attorneys for Plaintiff FEDERAL TRADE COMMISSION

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VII. CAUSE OF ACTI	diversity): ON 15 USC 45(a); FT services LENGTH OF TRIAL v	C challenges pract	tices in ted (for b		e) CHECK YES only	ants' sale of employment y if demanded in complaint:
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