

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

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FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PREFERRED PLATINUM SERVICES  
NETWORK, LLC, a New Jersey limited  
liability company, also doing business as  
HOME BASED ASSOCIATE  
PROGRAM, THE POSTCARD  
PROCESSING PROGRAM, and PPSN,  
LLC,

**FILED UNDER SEAL**

Case No. \_\_\_\_\_

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

ROSALIE FLORIE, individually and as  
the managing member of Preferred  
Platinum Services Network LLC, and

PHILIP D. PESTRICHELLO,  
individually,

Defendants.

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

1. The following are named parties to this action:
  - A. Plaintiff FTC is an independent agency of the Government of the United States of America. The Office of the FTC’s Northeast Region is located at One Bowling Green, Suite 318, New York, New York 10004.
  - B. Defendant Preferred Platinum Services Network, LLC, (“PPSN”) is a New Jersey limited liability company, also doing business as Home Based Associate Program, The Postcard Processing Program, and PPSN, LLC, with its principal place of business at 243 Southern Boulevard, Bayville, New Jersey 08721, and mail drop addresses at P.O. Box 5401 and P.O. Box 5148 in Toms River, New Jersey 08754.
  - C. Defendant Rosalie Florie is the managing member of PPSN.

Her principal place of business is 243 Southern Boulevard,  
Bayville, New Jersey 08721.

- D. Defendant Philip D. Pestrichello assists in the operation of  
Defendant PPSN. His principal place of business is 389  
Princeton Avenue, Bayville, New Jersey 08721.

2. 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 marketing and sale of work-at-  
home employment programs.

### **JURISDICTION AND VENUE**

3. 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).

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

**PLAINTIFF**

5. 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.

6. 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) and 56(a)(2)(A).

**DEFENDANTS**

7. Defendant PPSN is a New Jersey limited liability company with its principal place of business at 243 Southern Boulevard, Bayville, New Jersey 08721, and mail drop addresses at P.O. Box 5401 and P.O. Box 5148 in Toms River, New Jersey 08754. PPSN transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, PPSN has advertised, marketed, distributed, or sold a work-at-home employment program to consumers throughout the United States.

8. Defendant Rosalie Florie is the managing member of PPSN. 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 Florie resides in this district and in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

9. Defendant Philip D. Pestrichello is the husband of Defendant Florie. 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 Pestrichello resides in this district and in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

### **COMMERCE**

10. 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**

11. Defendants advertise, market, and sell to consumers a work-at-home employment program called the “Home Based Associate Program.” They claim that, by becoming PPSN’s Home Based Associates, consumers can earn money by labeling postcards advertising Defendants’ purported mortgage accelerator product. Defendants claim that they will mail the postcards to potential mortgage

accelerator customers after PPSN's Home Based Associates have labeled them.

12. The Home Based Associate Program is marketed in local pennysavers and in the classified sections of newspapers, and on Defendants' Internet website, [www.mypreferreddplatinum.net](http://www.mypreferreddplatinum.net).

13. Several different advertisements have appeared over time. In one version, the Defendants state that consumers could receive a "weekly paycheck" from "processing [Defendants'] mortgage assistance postcards." That advertisement further assures consumers that there are "[n]o gimmicks."

14. Another version of Defendants' advertisement promises "Honest income from processing our mortgage assistance postcards."

15. On their website, the second tab on the homepage is entitled "Income Opportunity," which leads consumers to a page pitching the Home Based Associate Program. In the middle of that page, in bold print in large capital letters, Defendants claim, "**HOME BASED ASSOCIATES COULD EARN \$1.00 PER POSTCARD.**"

16. The advertisements often have a phone number consumers can call for more information, though in numerous instances, when consumers call the number, a recording answers asking them to leave their names and addresses to receive more information by mail.

17. After calling the number and leaving their information, consumers

typically receive a packet that contains a 2-sided informational letter describing the program and a “Pre-Approved Enrollment Form” (“Enrollment Form”). According to the informational letter, the program entails labeling postcards and returning them to Defendants for payment. The letter typically states that consumers can earn 95¢ or \$1 per postcard that they have processed.

18. To enroll in Defendants’ program, the letter states that consumers must pay a one-time enrollment fee, typically \$80 or \$90, which must be paid by cash, check, money order, or credit card at the time the consumer returns the Enrollment Form. The letter also touts the Defendants’ 60-day, “100% Satisfaction Policy” that provides for a full refund if the consumer is not satisfied with the program.

19. The Enrollment Form typically repeats the claim that the consumer can earn 95¢ or \$1.00 per postcard. The form requests certain information from the consumer, including name, address, and date of birth. Further, the Form provides an option for rush shipping of materials for an additional fee, typically \$10 to \$15.

20. Consumers who access Defendants’ website can only download the Enrollment Form to send to PPSN via regular mail. There is no mechanism to sign up for the Home Based Associate Program or pay the enrollment fee online.

21. After consumers send in the Enrollment Form and their payment, they

typically receive the Home Based Associate Package (the “Welcome Package”) within a few weeks. The Welcome Package includes the first batch of postcards, preprinted mailing labels, a postage prepaid self-addressed envelope, a Materials Request Form, an Internal Revenue Service Form W-9, and a Welcome Manual. The Defendants generally press consumers to return the completed postcards within 5 business days or risk delays with their paychecks.

22. Consumers are also instructed to fill out and return the W-9 Form to the Defendants with their Social Security Numbers and Taxpayer Identification Numbers.

23. Typically, consumers learn for the first time upon receiving the Welcome Package that they must pay an additional fee, e.g. \$40 for a new batch of 100 cards, to obtain more postcards for processing.

24. The postcards that consumers are tasked with labeling advertise the Defendants’ purported “Mortgage Accelerator Program,” claiming Defendants can take 10 years off the addressee’s mortgage for a fee. On information and belief, Defendants are not actually selling such a program.

25. Few, if any, consumers who process postcards as part of the Home Based Associate Program ever receive any payment from the Defendants, despite following all the Defendants’ instructions.

26. Furthermore, in numerous instances, consumers who request a refund



according to the Defendants' 100% Satisfaction Policy are refused refunds, even though they have complied with the conditions of the refund policy and returned all materials to the Defendants.

### **VIOLATIONS OF THE FTC ACT**

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

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

### **COUNT I**

29. In connection with the advertising, marketing, promotion, offering for sale, or sale of PPSN's work-at-home employment program, Defendants have represented, expressly or by implication, that consumers who join their work-at-home program are likely to earn substantial income.

30. The representation set forth in Paragraph 29 is false or was not substantiated at the time the representation was made, or both.

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

### **COUNT II**

32. In connection with the advertising, marketing, promotion, offering for

sale, or sale of PPSN's work-at-home employment program, Defendants have represented, directly or indirectly, expressly or by implication, that Defendants will pay consumers a specified sum, usually 95¢ or \$1.00, per postcard they process as part of Defendants' work-at-home employment program.

33. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 32 of this Complaint, Defendants have not paid consumers a specified sum per postcard they processed as part of Defendants' work-at-home employment program.

34. Therefore, Defendants' representation as set forth in Paragraph 32 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 III**

35. In connection with the advertising, marketing, promotion, offering for sale, or sale of PPSN's work-at-home employment program, Defendants have represented, directly or indirectly, expressly or by implication, that the cost to consumers to participate in Defendants' program is a one-time enrollment fee.

36. In numerous instances in which Defendants make the representation set forth in Paragraph 35 of this Complaint, Defendants fail to disclose, or disclose adequately, to consumers that, if consumers decide to continue participating in Defendants' program, consumers are also required to purchase additional postcards

and materials. This additional information would be material to consumers in deciding to purchase the Defendants' program.

37. Therefore, Defendants' failure to disclose, or disclose adequately, the material information described in Paragraph 36, above, in light of the representation described in Paragraph 35, above, constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

#### **COUNT IV**

38. In connection with the advertising, marketing, promotion, offering for sale, or sale of PPSN's work-at-home employment program, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who cancel their enrollment in the program within a specified time period will receive a full refund.

39. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 38 of this Complaint, consumers who canceled their enrollment within the specified time period did not receive a full refund.

40. Therefore, Defendants' representation as set forth in Paragraph 38 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).

**CONSUMER INJURY**

41. 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**

42. 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, asset freeze, expedited discovery, and a preliminary injunction;

B. Enter a permanent injunction to prohibit 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

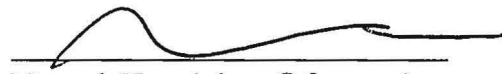
D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

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General Counsel

LEONARD L. GORDON  
Regional Director  
Northeast Region

Dated: 01/29/2010

  
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