

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

FEDERAL TRADE COMMISSION, Plaintiff

v.

TERRANCE MAURICE HOWARD, doing business as True
Techniques and Absolute Mailers, Defendant

Civil Action No.

COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

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

1. The FTC brings this action under Sections 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a) and 53(b), to obtain preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement, and other equitable relief for defendant's deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. §45(a).

JURISDICTION AND VENUE

2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the Western District of Texas is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b).

PLAINTIFF

4. Plaintiff Federal Trade Commission is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58, as amended. The Commission 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. The Commission may 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 restitution for injured consumers. 15 U.S.C. § 53(b).

DEFENDANT

5. Defendant Terrance Maurice Howard is an individual doing business as True Techniques and Absolute Mailers. 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 set forth in this complaint. Terrance Maurice Howard resides in and transacts or has transacted business in the Western District of Texas.

COMMERCE

6. At all times relevant to this complaint, defendant has maintained a substantial course of business in the offering for sale and sale of envelope stuffing employment opportunities, in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANT'S BUSINESS PRACTICES

7. Since at least July 2001, and continuing thereafter, defendant, doing business as True Techniques, has offered for sale and sold envelope stuffing employment opportunities to consumers in various states throughout the United States. In January, 2002, defendant also began using the name Absolute Mailers in this business. The defendant has promoted his employment opportunities to prospective purchasers in print and online classified advertisements. In these

advertisements, defendant typically offers consumers \$2000 for mailing 400 brochures, with free postage and supplies provided. The advertisements refer consumers to a toll-free telephone number for further information.

8. Upon calling the toll-free telephone number, consumers hear a recorded message asking if the consumer can find the time to stuff envelopes for \$2,000 to \$4,000 per week. The message states that all envelopes, stamps and materials will be provided to the consumer. Interested consumers leave their names and addresses so that defendant can send them additional information.

9. Consumers who leave their names and addresses receive a letter which claims that participants in the defendant's program could earn thousands of dollars weekly. The letter states that participants receive stamped and addressed envelopes to stuff with the business' brochures. The letter claims that participants will be paid \$5 for each envelope stuffed with defendant's brochures, and that the payments are guaranteed. The defendant also includes in the letter an unconditional guarantee that everything said about the program is true and that participants will be delighted with the money they make. In the letter, the defendant claims that only his business offers an income of \$1,000 or more weekly for processing only 200 letters.

10. The registration fee for the program is \$35. After collecting the registration fee, contrary to defendant's representations, defendant does not provide envelope stuffing employment for consumers. Instead, defendant tells consumers to place advertisements in newspapers and on bulletin boards offering information about work-at-home opportunities in exchange for \$5 and a stamped, self-addressed envelope. The defendant does not pay any money to consumers for the envelopes that the consumers stuff and send out. The only money consumers make is the \$5 that they receive from each individual who responds to the advertisement that consumers place about work-at-home opportunities. Thus, if the consumers receive any responses to the advertisements, they collect the \$5 and send the defendant's flyer offering defendant's "Work at Home Guide."

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

COUNT I

12. In numerous instances, in the course of offering for sale and selling his envelope stuffing employment opportunities, defendant or his employees or agents have represented, expressly or by implication, that consumers will make a substantial amount of money after sending the registration fee to defendant.

13. In truth and in fact, many consumers do not earn a substantial amount of money after sending the registration fee to defendant.

14. Therefore, defendant's representations as set forth in Paragraph 12 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

15. In numerous instances, in the course of offering for sale and selling his envelope stuffing employment opportunities, defendant or his employees or agents have represented, expressly or by implication, that defendant will pay consumers \$5 for every envelope stuffed.

16. In truth and in fact, defendant does not pay consumers \$5 for every envelope stuffed.

17. Therefore, defendant's representations as set forth in Paragraph 15 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

18. Consumers in the United States have suffered or are likely to suffer substantial monetary loss as a result of defendant's unlawful acts or practices. In addition, defendant has been unjustly enriched as a result of his unlawful practices. Absent injunctive relief by this Court, defendant is likely to continue to injure consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

19. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to issue a permanent injunction against defendant's violations of the FTC Act and, in the exercise of its equitable jurisdiction, to order such ancillary relief as temporary and preliminary injunctions, consumer redress, rescission, restitution, disgorgement of profits resulting from defendant's unlawful acts or practices, and other remedial measures.

20. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to remedy injury caused by defendant's law violations.

PRAYER FOR RELIEF

WHEREFORE, plaintiff the Federal Trade Commission, 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:

1. 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, temporary and preliminary injunctions and an order freezing assets;
2. Permanently enjoin defendant from violating the FTC Act as alleged herein;
3. Award such relief as the Court finds necessary to redress injury to consumers resulting from defendant's 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
4. 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.

Dated: _____

Respectfully Submitted,

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