UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 03-6198 CIV

CIV-MARRA

U.S. District Judge ______________ / U.S. Magistrate Judge ______________

FEDERAL TRADE COMMISSION,

Plaintiff

v.

PLATINUM UNIVERSAL, LLC, also doing business as UNIVERSAL CARD SERVICES and UNIVERSAL MASTERCARD,

PULSAR DATA, INC., also doing business as UNIVERSAL CARD SERVICES and UNIVERSAL MASTERCARD,

JEFFREY A, ULLMAN, and

STEVEN M. KETOVER,

Defendants.

FILED by ______ D.C.

NOV - 6 2003

CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. FT. LAUD.

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 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 *et seq.*, to obtain permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement, and other equitable relief for Defendants' deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Trade Regulation Rule entitled "Telemarketing Sales Rule" ("TSR"), 16 C.F.R. Part 310.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 53(b), 57b, 6102©), and 6105(b). This action arises under 15 U.S.C. § 45(a)(1).

3. Venue in the United District Court for the Southern District of Florida is proper under 28 U.S.C. §§ 1391(b) and ©), 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 as amended. The Commission is charged, *inter alia*, with enforcement of 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 also enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive or abusive telemarketing acts or practices. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the TSR, and to secure such equitable relief as may be appropriate in each case, including restitution for injured consumers. 15 U.S.C. §§ 53(b), 57(b), 6102©), and 6105(b).

DEFENDANTS

5. Defendant **Platinum Universal, LLC** ("Platinum") is a Florida limited liability company with its principal place of business at 4000 Hollywood Blvd, Suite 755-S, Hollywood, FL 33021. Platinum transacts or has transacted business in the Southern District of Florida. Platinum also does business as Universal Card Services and Universal MasterCard.

6. Defendant **Pulsar Data, Inc.** ("Pulsar") is a Florida corporation with its principal place of business at 4000 Hollywood Blvd, Suite 755-S, Hollywood, FL 33021. Pulsar transacts or has transacted business in the Southern District of Florida. Pulsar also does business as Universal Card Services and Universal MasterCard, and is the successor corporation to Platinum.

7. Defendant **Jeffrey A. Ullman** is an officer, owner, director or managing member, or has held himself out as an officer, owner, director or managing member of Platinum. 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 Platinum. He transacts or has transacted business in the Southern District of Florida.

8. Defendant **Steven M. Ketover** is an officer, owner, director or managing member, or has held himself out as an officer, owner, director or managing member of Platinum. 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 Platinum. He transacts or has transacted business in the Southern District of Florida.

COMMERCE

9. At all times relevant 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.

COURSE OF CONDUCT

10. Since at least mid-2002, Defendants have offered guaranteed, pre-approved Universal MasterCard credit cards by cold calling consumers, over the Internet, and by advertising on television and radio, including ads directed at Hispanic consumers. Defendants provide consumers with a toll-free number for consumers to call to apply for the credit card.

11. Defendants' representatives tell consumers that they will receive a pre-approved Universal MasterCard credit card with up to a $2,500 credit limit; that there is no credit check; and that all the consumer needs is a checking account. Defendants' representatives tell consumers that in order to receive the credit card, they must pay a one-time processing fee, ranging from $99 to $200. Consumers pay Defendants' advance fee by authorizing bank account debits from their checking accounts.

12. After paying Defendants' advance fee, some consumers receive a stored value card, which is a reloadable prepaid card. Some consumers receive a letter informing them how to obtain their stored value card, and other consumers receive nothing at all. No consumers receive a Universal MasterCard credit card. In addition, the letter informs consumers that they may cancel the card within ten days from the date of the letter.

13. Many consumers call Defendants asking for a refund because they believed they would be receiving a credit card not a stored value card. In most instances, Defendants refuse to refund the consumers' money, routinely telling consumers that the cancellation period had expired. Even in instances where the consumers have received nothing from the Defendants, the Defendants have refused to refund the consumers' money.

14. In addition, consumers who opt to receive the stored value card learn that they are required to pay more money to load the card in order to be able to use it, and are required to pay monthly membership fees, per transaction fees, fees to load the card, and a monthly inactivity fee if the consumer does not use the card for ninety days, none of which were disclosed to consumers prior to purchase.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

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

COUNT ONE

17. In numerous instances, in connection with the marketing of advance fee credit cards, Defendants or their employees or agents have represented, expressly or by implication, that after paying Defendants a fee, consumers will receive a credit card.

18. In truth and in fact, in numerous instances, after paying Defendants a fee, consumers do not receive a credit card.

19. Therefore, the representation set forth in Paragraph 17 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).

THE FTC'S TELEMARKETING SALES RULE

20. The Commission promulgated the Telemarketing Sales Rule pursuant to Section 6102(a) of the Telemarketing Act, 15 U.S.C. § 6102(a). The TSR became effective on

December 31, 1995.

21. The TSR prohibits telemarketers and sellers from requesting or receiving payment of any fee or consideration in advance of obtaining a loan or other extension of credit when the seller or telemarketer has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit. 16 C.F.R. § 310.4(a)(4).

22. The TSR also prohibits telemarketers and sellers from misrepresenting, directly or by implication, in the sale of goods or services, any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer. 16 C.F.R. § 310.3(a)(2)(iii).

23. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102©), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), violations of the TSR constitute unfair or deceptive acts or practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

24. Defendants are "sellers" or "telemarketers" engaged in "telemarketing," as those terms are defined in the FTC Telemarketing Sales Rule. 16 C.F.R. §§ 310.2(z), (bb) & (cc).

VIOLATIONS OF THE TELEMARKETING SALES RULE

COUNT TWO

25. In numerous instances, in connection with the telemarketing of advance fee credit cards, Defendants or their employees or agents have requested and received payment of a fee in advance of consumers obtaining a credit card when Defendants have guaranteed or represented a high likelihood of success in obtaining or arranging the acquisition of a credit card for such consumers.

26. Defendants have thereby violated Section 310.4(a)(4) of the Telemarketing Sales Rule, 16 C.F.R. § 310.4(a)(4).

COUNT THREE

27. In numerous instances, in connection with the telemarketing of advance fee credit cards, Defendants or their employees or agents have misrepresented, directly or by implication, that after paying Defendants a fee, consumers will, or are highly likely to, receive a credit card.

28. Defendants have thereby violated Section 310.3(a)(2)(iii) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(iii).

CONSUMER INJURY

29. Consumers throughout the United States have suffered, and continue to suffer, substantial monetary loss as a result of Defendants' unlawful acts and practices. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and 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

30. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes this Court to issue a permanent injunction against Defendants' 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 and disgorgement of profits resulting from Defendants' unlawful acts or practices, and other remedial measures.

31. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), authorize the Court to grant to the FTC such relief as the Court finds

necessary to redress injury to consumers or other persons resulting from Defendants' violations of the Telemarketing Sales Rule, including the rescission and reformation of contracts and the refund of money.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(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 Defendants from violating the FTC Act and the Telemarketing Sales Rule, as alleged herein;

3. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the Telemarketing Sales Rule, including, but not limited to, rescission or reformation of contracts, restitution, refund of monies paid, and 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: Nov. 5, 2003

Respectfully Submitted,

WILLIAM E. KOVACIC
General Counsel

BARBARA ANTHONY
Regional Director

ANN WEINTRAUB (AW 3080)
ELVIA GASTELO (EG 0865)
Attorney for Plaintiff
Federal Trade Commission
One Bowling Green, Suite 318
New York, New York 10004
212.607.2815 (phone)
212.607.2822 (facsimile)