

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**LEADING EDGE PROCESSING, INC.,
a Florida corporation,**

**QUALITY PUBLISHING, INC., a Florida
corporation,**

**MEGA PROCESSING CORP., a Florida
corporation,**

**CREATIVE TECH OF AMERICA, INC., a
Florida corporation,**

**DIGITAL INPUTTING CORP., a Florida
corporation,**

**THE BAIR GROUP, INC., a Florida
corporation,**

**MICHAEL J. GARDNER, a/k/a
MICHAEL GAIDNEI a/k/a MICHAEL
GARDENBAIR, individually, as an officer
of the corporations, and d/b/a HOME
TYPIST INTERNATIONAL, DATAPROS,
PROFESSIONAL DATA SERVICES,
NEW AGE INFORMATION
SPECIALISTS, and WORK AT HOME
DIRECT, and**

**REBECCA A. DAHL, individually, as an
officer or principal of the corporations, and
d/b/a HOME TYPIST INTERNATIONAL,
DATAPROS, PROFESSIONAL DATA
SERVICES, NEW AGE INFORMATION
SPECIALISTS, and WORK AT HOME
DIRECT,**

Defendants.

CIVIL NO.

**COMPLAINT FOR INJUNCTION
AND OTHER EQUITABLE
RELIEF**

Plaintiff, the Federal Trade Commission ("FTC" or "the 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 of contracts, restitution, disgorgement, and other equitable relief for defendants' violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. § 53(b). This action arises under 15 U.S.C. § 45(a)(1).
3. Venue in the United States District Court for the Middle District of Florida is proper under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

THE PARTIES

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created by statute. 15 U.S.C. § 41 *et seq.* 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 is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act in order to secure such equitable relief as may be appropriate in each case, and to obtain consumer redress. 15 U.S.C. § 53(b).
5. Defendant Leading Edge Processing, Inc. ("Leading Edge"), a Florida corporation with its principal place of business at 3501 West Vine Street, Suite 504, Kissimmee, FL 34741,

- advertises, promotes, and sells data entry training and work-at-home employment opportunities. Leading Edge transacts or has transacted business in the Middle District of Florida.
6. Defendant Quality Publishing, Inc., (“Quality Publishing”) a Florida corporation with its principal place of business at 3501 West Vine Street, Suite 504, Kissimmee, FL 34741, advertises, promotes, and sells data entry training and work-at-home employment opportunities. Quality Publishing transacts or has transacted business in the Middle District of Florida.
 7. Defendant Mega Processing Corp. (“Mega Processing”), a Florida corporation with its principal place of business at 241 Fair Hope Pass, Davenport, FL 33897, and its mailing address at 3956 Town Center Blvd., #108, Orlando, FL 32837, advertises, promotes, and sells data entry training and work-at-home employment opportunities. Mega Processing transacts or has transacted business in the Middle District of Florida.
 8. Defendant Creative Tech of America, Inc. (“Creative Tech”), a Florida corporation with its principal place of business at 241 Fair Hope Pass, Davenport, FL 33897, and its mailing address at 3956 Town Center Blvd., #116, Orlando, FL 32837, advertises, promotes, and sells data entry training and work-at-home employment opportunities. Creative Tech transacts or has transacted business in the Middle District of Florida.
 9. Defendant Digital Inputting Corp. (“Digital Inputting”), a Florida corporation with its principal place of business at 241 Fair Hope Pass, Davenport, FL 33897, and its mailing address at 3956 Town Center Blvd., #127, Orlando, FL 32837, advertises, promotes, and sells data entry training and work-at-home employment opportunities. Digital Inputting transacts or has transacted business in the Middle District of Florida.
 10. Defendant The Bair Group, Inc., (“Bair Group”), a Florida corporation with its principal place of business at 241 Fair Hope Pass, Davenport, FL 33897, and its mailing address at

7611 South Orange Blossom Trail #169, Orlando, FL 32809, advertises, promotes, and sells data entry training and work-at-home employment opportunities. Bair Group transacts or has transacted business in the Middle District of Florida.

11. Defendant Michael J. Gardner, a/k/a Michael Gaidnei, a/k/a Michael Gardenbair (“Gardner”), the husband of defendant Rebecca A. Dahl, is the president of Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting, and Bair Group, and also does business as Home Typist International, Datapros, Professional Data Services, New Age Information Specialists, and Work at Home Direct. Gardner’s principal place of business is 241 Fair Hope Pass, Davenport, FL 33897, the same address as Mega Processing, Creative Tech, Digital Inputting, and Bair Group. 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 corporate defendants, including the acts and practices set forth in this complaint. He transacts or has transacted business in the Middle District of Florida.
12. Defendant Rebecca A. Dahl (Gardner) (“Dahl”), the wife of defendant Gardner, is an officer, owner or principal of Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting, and Bair Group, and also does business as Home Typist International, Datapros, Professional Data Services, New Age Information Specialists, and Work At Home Direct. Dahl’s principal place of business is 241 Fair Hope Pass, Davenport, FL 33897, the same address as Mega Processing, Creative Tech, Digital Inputting and Bair Group. At all times material to this complaint, acting alone or in concert with others, she has formulated, directed, controlled, or participated in the acts and practices of the corporate defendants. She transacts or has transacted business in the Middle District of Florida.

COMMERCE

13. At all times relevant to this complaint, defendants have maintained a substantial course of trade in the offering for sale and sale of data entry work-at-home employment opportunities, in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS ACTIVITIES

14. Since October 1999, and continuing thereafter, defendants have advertised, promoted, and sold data entry work-at-home employment opportunities to consumers. Defendants, either directly or through third parties, use electronic mail, Internet and newspaper advertisements, as well as Internet Web sites, to promote their data entry work-at-home employment opportunities. Through one or more of these advertising media, defendants lure potential purchasers into buying a work-at-home kit for prices generally ranging from \$30-\$150. The defendants promise that such kits will enable purchasers to earn money as a data entry clerk, entering orders or processing medical bills supplied by defendants. Defendants promise to pay consumers from \$7 to \$10 for each order entered, and promise to pay at least \$75 for each 100 medical bills processed within two days.
15. Defendants use electronic mail to respond to consumers who post their resumes on Web sites for job seekers, offering the consumers work-at-home data entry positions. Defendants advertise similar work-at-home data entry positions on Web sites for job seekers and in local newspapers. Defendants' electronic mail, and Internet and newspaper advertisements often represent that defendants' employees can typically input two to four orders per hour on their home computers, earning from \$14 to \$40 per hour, with full health and dental benefits. Defendants promise that after thirty days of employment, consumers who purchase their medical billing opportunity will be paid \$187.50 for each 175 bills

- processed, and can earn \$937.50 per week. The e-mails and advertisements encourage interested persons to respond to an e-mail address for further information.
16. Defendants assure potential kit buyers that their business is stable and financially sound, claiming that they have been in business since 1996, employ 1,300 individuals working at home worldwide, and have 11,000 clients for whom they process orders. Defendants promise to supply kit buyers with a steady stream of orders for entry, by logging on to defendants' database at any time of day. However, few, if any, kit buyers obtain access to defendants' database to locate orders for entry.
 17. Defendants assure prospective buyers of their medical billing employment opportunity that they will be supplied with a steady stream of medical bills by mail. However, few, if any, kit buyers receive medical bills for processing.
 18. Defendants represent that they will provide all necessary training and support for kit buyers, claiming that they will provide them with full training at the beginning of employment and ongoing support. In fact, defendants seldom, if ever, provide useful training or support to kit buyers.
 19. Defendants also represent that the clerical positions offered entail no advertising or selling, claiming that "You will not be required to, in any way, advertise, recruit, sell, ship or store any merchandise of any kind." However, in numerous instances, kit buyers are told that the only orders available for entry may be obtained only if they recruit others to purchase defendants' data entry work-at-home employment opportunity.
 9. Defendants tell consumers who respond to their solicitations that in exchange for a payment ranging from \$30-\$150, consumers will receive a work-at-home kit that will get them started in performing computer data entry, including specialized computer software necessary to complete order entry or medical billing, and training manuals or other training

materials. Defendants assure numerous prospective kit buyers that they “have made this as simple as possible so there are virtually no mistakes.”

10. In numerous instances, defendants do not send consumers their kits, and consumers repeatedly attempt to contact the company without success to inquire as to the status of their order. Still other consumers report that the contents of defendants’ kits are of very poor quality. In many cases, the software is incompatible with consumers’ computer operating systems, fails to function properly, or even destroys existing data. In addition, many consumers report that defendants’ software came from a site operated by Software 602, and is available for no charge on the Internet.
11. Although defendants claim to have access to a steady stream of order entry referrals or medical bills that they will provide to kit buyers, in numerous instances, defendants never furnish kit buyers with any orders for entry or medical bills for processing. Thus, kit buyers are left without the opportunity to earn any income. Further, in numerous instances, defendants terminate contact with kit buyers as soon as their payment is received, failing or refusing to respond to consumers’ complaining e-mail messages. As a result, few, if any, consumers who purchase defendants’ data entry work-at-home employment opportunity earn any income, let alone the earnings promised by defendants.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

12. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), provides that “unfair or deceptive acts or practices in or affecting commerce are hereby declared unlawful.”

COUNT I

13. In numerous instances, in the course of offering for sale and selling data entry work-at-home employment opportunities, defendants, and their employees and agents, have represented, expressly or by implication, that consumers who purchase defendants' work-at-home kits will earn a specific level of earnings, such as an income of \$14 - \$40 per hour doing order entry, or income of \$75 per 100 medical bills processed.
14. In truth and in fact, in numerous instances, consumers who purchase defendants' work-at-home kits do not earn a specific level of earnings, such as an income of \$14 - \$40 per hour doing order entry, or income of \$75 per 100 medical bills processed.
15. Therefore, defendants' representations as set forth in Paragraph 24 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

16. In numerous instances, in the course of offering for sale and sale of data entry work-at-home employment opportunities, defendants or their employees or agents have represented, expressly or by implication, that they have actual job openings performing data entry.
17. In truth and in fact, defendants do not have actual job openings performing data entry.
18. Therefore, defendants' representations as set forth in Paragraph 27 are false and misleading and constitutes deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III

19. In numerous instances, in the course of offering for sale and selling their data entry employment opportunities, defendants or their employees or agents have represented expressly or by implication, that consumers who purchase defendants' data entry employment opportunities will receive a complete package and training suitable for them to complete data entry.
20. In truth and in fact, in numerous instances, consumers do not receive a complete package and training suitable for them to complete data entry.
21. Therefore, defendants' representations as set forth in Paragraph 30 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).

COMMON ENTERPRISE

22. Defendants Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting, Bair Group, Gardner and Dahl have operated and functioned as a single business enterprise in committing the violations of Section 5(a) of the FTC Act described above in paragraphs 24 through 32.
23. Because each of the defendants functioned as a single business enterprise with the other defendants in the commission of the deceptive acts and practices alleged above, they have each violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

24. Consumers nationwide have suffered or will suffer substantial monetary loss as a result of defendants' violations of Section 5(a) of the FTC Act. Absent injunctive relief by this Court, defendants are likely to continue to injure consumers and harm the public interest.

THIS COURT’S POWER TO GRANT RELIEF

25. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including consumer redress, disgorgement and restitution, to prevent and remedy any violations of any provision of law enforced by the Federal Trade Commission.
26. This Court, in the exercise of its equitable jurisdiction, may award ancillary relief to remedy injury caused by the defendants’ law violations.

PRAYER FOR RELIEF

WHEREFORE, plaintiff requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. §53(b), and pursuant to its own equitable powers:

1. Award plaintiff such preliminary injunctive and ancillary relief, including a preliminary injunction and an asset freeze, 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;
2. Permanently enjoin the defendants from violating the FTC Act, as alleged herein;
3. Award such relief as the Court finds necessary to redress injury to consumers resulting from the defendants’ violations of the FTC Act, including but not limited to, the rescission of contracts, the refund of monies paid, and the disgorgement of ill-gotten gains; 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.

Respectfully submitted,

WILLIAM E. KOVACIC
GENERAL COUNSEL

BARBARA ANTHONY
REGIONAL DIRECTOR

DATED: _____

ROBIN E. EICHEN (RE 2964)
Attorney for Plaintiff
Federal Trade Commission
Northeast Region
One Bowling Green, Suite 318
New York, NY 10004
telephone (212) 607-2803
facsimile (212) 607-2822