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**UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF MISSOURI**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

GRANT SEARCH, INC., a corporation;  
STEVEN G. LEVINE, individually and as an officer  
of Grant Search, Inc.;  
SCOTT STETTNIHS, individually and as an  
officer of Grant Search, Inc.;  
GRANT PAC, INC., a corporation; and  
SUNDAY R. LEVINE, individually and as an officer  
of Grant Pac, Inc.,

Defendants.

Civil No.

**COMPLAINT FOR  
INJUNCTIVE AND OTHER  
EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission ("FTC" or "the Commission"), for its complaint against Grant Search, Inc., Steven G. Levine, Scott Stettnichs, Grant Pac, Inc., and Sunday R. Levine (collectively, "Defendants"), 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. §§ 6101-6108, to secure preliminary and permanent injunctive relief, restitution, rescission or reformation of contracts, 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" (the "Telemarketing Sales Rule" or "TSR"), 16 C.F.R. Part 310.

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2 **JURISDICTION AND VENUE**

3 2. This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a), 53(b),  
4 57b, 6102(c), and 6105(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

5 3. Venue in the Western District of Missouri is proper under 15 U.S.C. § 53(b).

6 **PLAINTIFF**

7 4. Plaintiff Federal Trade Commission is an independent agency of the United States  
8 Government created by statute. 15 U.S.C. §§ 41-58, as amended. The Commission is charged,  
9 *inter alia*, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits  
10 unfair or deceptive acts or practices in or affecting commerce. The Commission also enforces  
11 the Telemarketing Sales Rule, 16 C.F.R. Part 310, which prohibits deceptive or abusive  
12 telemarketing acts or practices. The Commission is authorized to initiate federal district court  
13 proceedings, by its own attorneys, to enjoin violations of the FTC Act and the Telemarketing  
14 Sales Rule, and to secure such equitable relief as may be appropriate in each case, including  
15 restitution for injured consumers. 15 U.S.C. §§ 53(b), 57b, 6102(c), and 6105(b).

16 **DEFENDANTS**

17 5. Defendant Grant Search, Inc., is an Oregon corporation, with its mailing address  
18 located at 2305C Ashland St., #506, Ashland, OR 97520, and its registered office located at 167  
19 E. Main, P.O. Box 465, Ashland, OR 97520-0016. Grant Search, Inc., also has a registered  
20 office located at 1844 West 3<sup>rd</sup> St., Sedalia, MO 65301. Grant Search, Inc., transacts or has  
21 transacted business in the Western District of Missouri.

22 6. Defendant Steven G. Levine is an officer, or has held himself out as an officer, of  
23 Grant Search, Inc. At all times material to this complaint, acting in concert with others, he has  
24 formulated, directed, controlled, or participated in the acts and practices of Grant Search, Inc. He  
25 transacts or has transacted business in the Western District of Missouri.

26 7. Defendant Scott Stettnichs is an officer, or has held himself out as an officer, of  
27 Grant Search, Inc. At all times material to this complaint, acting in concert with others, he has  
28 formulated, directed, controlled, or participated in the acts and practices of Grant Search, Inc. He

1 transacts or has transacted business in the Western District of Missouri.

2 8. Grant Pac, Inc., is a Missouri corporation, with its mailing address at 2304 W.  
3 Broadway, #198, Sedalia, MO, and its registered office located at 1844 West Third St., Sedalia,  
4 MO 65301. Grant Pac, Inc., transacts or has transacted business in the Western District of  
5 Missouri.

6 9. Sunday R. Levine is an officer, or has held himself out as an officer, of Grant  
7 Pac, Inc. At all times material to this complaint, acting in concert with others, he has formulated,  
8 directed, controlled, or participated in the acts and practices of Grant Pac, Inc. He transacts or  
9 has transacted business in the Western District of Missouri.

### 10 COMMERCE

11 10. At all times relevant to this complaint, Defendants have maintained a substantial  
12 course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act,  
13 15 U.S.C. § 44.

### 14 DEFENDANTS' COURSE OF CONDUCT

15 11. Since at least 1998, Defendants have solicited consumers throughout the country  
16 and falsely represented that they are a "financial finder and matching service" and that consumers  
17 are likely to receive free cash grants by purchasing Grant Search's program and services.

18 12. The Defendants have placed classified advertisements in publications such as the  
19 Thrifty Nickel inviting consumers to call a toll-free number for information about obtaining cash  
20 grants. They also advertise via direct mail solicitations and on the Internet.

21 13. When consumers call in response to the classified ads, the Defendants send them  
22 their direct mail flyer describing the purported benefits of obtaining "free cash grants." The flyer  
23 states, in part:

24 People with **Bad Credit, No Credit or Bankruptcys**, [sic] Can Get  
25 One Of These **Interest-Free Cash Grants**. . .

26 The Money May Be Used For Any Worthwhile **Purpose; Business,**  
27 Maybe **Debt Consolidation, Medical, Personal, Real Estate, Education,** Etc. . . .

28 . . . . Getting a **Grant** by mail is probably a lot easier than you think. . . . **YOU**  
**DECIDE HOW MUCH MONEY YOU WANT TO OBTAIN.** The amount  
can be as little as \$500.00 and up to \$50,000 possible. . . .

Foundations give out money for a wide variety of needs as long as it is something

1 legal, & this means that you may obtain the money to pay off old bills, go on  
2 vacation, meet emergency needs or to buy anything that you might need as long as  
the foundation agrees to it. . . .

3 . . . .As a **Financial Finder & Matching Service**, we'll review your service  
4 **application form** and **determine** which **foundations** may be most likely to  
5 **provide** you with the **money** that you **need**. **No matter how much you want to**  
6 **obtain**, no matter what you want to use the **money** for - we feel confident that **we**  
7 **can help you get it!**, with the **service** we are offering you." [Emphasis in  
8 original.]

9 14. The Defendants also have a website at <http://www.grantsearchinc.com> which  
10 contains the same or similar representations, the same money-back guarantee, and the same  
11 telephone number to call with questions.

12 15. The Defendants' flyer and website offer two payment options. For an application  
13 fee ranging from \$19.95, and later \$29.95, Defendants represent that they will "Match Your  
14 Financial Needs & Requirements with the Most Suitable Private Foundations in Our Program."  
15 For an additional \$30 ("Second Option"), the Defendants represent that they will "assist you in  
16 all your paper work, in other words we will apply to the sources for you, on your behalf." The  
17 Defendants' offer a "100% FULL MONEY BACK GUARANTEE, OF APPLICATION FEE,  
18 AT ANY TIME" and provide a telephone number for consumers to call with questions.

19 16. Regardless of which payment option consumers choose or the stated purpose for  
20 which their grant is needed, all consumers receive the same materials, including a list of  
21 approximately 150 foundations that Defendants represent are "probably the most suited to your  
22 Financial Needs and Requirements. . . ." Many consumers who send letters to the foundations on  
23 Defendants' list receive no responses or returned applications marked "undeliverable."

24 17. When consumers contact Defendants and request a refund, Defendants or their  
25 agents typically tell them that they must submit a copy of a grant denial letter to Defendants  
26 before a refund will be issued. In addition, consumers who purchased the Second Option are told  
27 that the additional \$30 is not refundable. Many consumers do not receive a refund until they  
28 complain to the Better Business Bureau ("BBB") or a law enforcement agency.





**COUNT FOUR**

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2 33. In numerous instances, in connection with the telemarketing of a grant search  
3 service, Defendants have represented, directly or by implication, that Defendants will provide a  
4 full money back guarantee of the application fee at any time if consumers do not obtain a cash  
5 grant. Defendants have failed to disclose that they actually impose additional conditions or  
6 restrictions that discourage consumers from seeking refunds or restrict the availability of refunds.  
7 These conditions or restrictions would be material to consumers in their decisions to purchase  
8 Defendants' products or services.

9 34. Defendants have thereby violated Section 310.3(a)(1)(iii) of the Telemarketing  
10 Sales Rule, 16 C.F.R. §§ 310.3(a)(1)(iii).

11 **COMMON ENTERPRISE**

12 35. Defendants have operated as a common business enterprise while engaging in the  
13 deceptive acts and practices alleged above.

14 **CONSUMER INJURY**

15 36. Consumers throughout the United States have suffered, and continue to suffer,  
16 substantial monetary loss as a result of Defendants' unlawful acts and practices. In addition,  
17 Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent  
18 injunctive relief, Defendants are likely to continue to injure consumers, reap unjust enrichment,  
19 and harm the public.

20 **THIS COURT'S POWER TO GRANT RELIEF**

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

26 38. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the  
27 Telemarketing Act, 15 U.S.C. § 6105(b), authorize the Court to grant to the FTC such relief as  
28 the Court finds necessary to redress injury to consumers or other persons resulting from

1 Defendants' violations of the Telemarketing Sales Rule, including the rescission and reformation  
2 of contracts and the refund of money.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Sections 13(b) and 19  
5 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C.  
6 § 6105(b), and the Court's own equitable powers, requests that the Court:

7 1. Award Plaintiff such preliminary injunctive and ancillary relief as may be  
8 necessary to avert the likelihood of consumer injury during the pendency of this action and to  
9 preserve the possibility of effective final relief, including but not limited to, temporary and  
10 preliminary injunctions, appointment of a receiver, and an order freezing assets;

11 2. Permanently enjoin Defendants from violating the FTC Act and the  
12 Telemarketing Sales Rule, as alleged herein;

13 3. Award such relief as the Court finds necessary to redress injury to consumers  
14 resulting from Defendants' violations of the FTC Act and the Telemarketing Sales Rule,  
15 including, but not limited to, rescission or reformation of contracts, restitution, refund of monies  
16 paid, and disgorgement of ill-gotten monies; and  
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1           4.       Award Plaintiff the costs of bringing this action, as well as such other and  
2 additional relief as the Court may determine to be just and proper.

3 Dated: \_\_\_\_\_

Respectfully Submitted,

4 WILLIAM E. KOVACIC  
5 General Counsel

6 \_\_\_\_\_  
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