





1 others, he has formulated, directed, controlled, or participated in the acts and practices of  
2 defendants World Class Network, Inc. and World Class Travel, L.L.C., including the acts and  
3 practices set forth in this complaint. He transacts or has transacted business in this district.

4 8. Defendant Denise L. Dimacale is an owner of defendant World Class Network,  
5 Inc. and is Secretary and a director. She resides at 1938 Port Carney Place, Newport Beach,  
6 California. At all times material to this complaint, acting alone or in concert with others, she has  
7 formulated, directed, controlled, or participated in the acts and practices of defendants World  
8 Class Network, Inc. and World Class Travel, L.L.C., including the acts and practices set forth in  
9 this complaint. She transacts or has transacted business in this district.

10 9. Defendant Robert C.K. Lee is an owner of defendant World Class Network, Inc.  
11 and is executive vice president, chief financial officer and a director. He resides at 22352  
12 Formentor, Mission Viejo, California. At all times material to this complaint, acting alone or in  
13 concert with others, he has formulated, directed, controlled, or participated in the acts and  
14 practices of defendants World Class Network, Inc. and World Class Travel, L.L.C., including the  
15 acts and practices set forth in this complaint. He transacts or has transacted business in this  
16 district.

17 10. Defendant Howard K. Cooper is president, chief executive officer and a director of  
18 defendant World Class Network, Inc. He resides at 5940 Fairhaven Avenue, Woodland Hills,  
19 California. At all times material to this complaint, acting alone or in concert with others, he has  
20 formulated, directed, controlled, or participated in the acts and practices of defendants World  
21 Class Network, Inc. and World Class Travel, L.L.C., including the acts and practices set forth in  
22 this complaint. He transacts or has transacted business in this district.

23 11. Defendant Jerome L. Goldberg is an owner of World Class Travel, L.L.C. and has  
24 held himself out to be its Chairman. He resides at 4314 Meridian Avenue, Oxnard, California.  
25 At all times material to this complaint, acting alone or in concert with others, he has formulated,  
26 directed, controlled, or participated in the acts and practices of defendant World Class Travel,  
27 L.L.C., including the acts and practices set forth in this complaint. He transacts or has transacted  
28 business in this district.

1 **COMMERCE**

2 12. At all times relevant to this complaint, defendants' course of business, including  
3 the acts or practices alleged herein, has been or is in or affecting commerce, as "commerce" is  
4 defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

5 **DEFENDANTS' BUSINESS PRACTICES**

6 13. Since at least March 1995, World Class Network, Inc. ("World Class Network")  
7 has been marketing travel tutorial and network marketing kits to consumers in several states.

8 14. For \$495, World Class Network sells a travel tutorial kit. In the course of  
9 marketing that kit, World Class Network represents that by purchasing its travel tutorial  
10 consumers will receive sufficient training and support to open and operate a functioning at-home  
11 travel business venture. World Class Network tells consumers that the independent travel agent  
12 identification card it provides will entitle purchasers to discounts and upgrades of the type  
13 generally available to travel agents on their own travel accommodations. World Class Network  
14 also tells consumers that through its affiliates, such as World Class Travel, L.L.C. ("World Class  
15 Travel"), it will provide travel accommodations at the most competitive prices.

16 15. For an additional \$49, World Class Network also offers consumers its network  
17 marketing kit. For this fee, consumers qualify as account executives and are authorized to sell  
18 World Class Network's travel tutorial, thereby creating a downline stream of independent travel  
19 agents. Account executives earn \$100 for each travel tutorial that they sell and also receive an  
20 override commission on the travel sold by their downline agents. World Class Network tells  
21 consumers that creating a downline stream is a viable business venture because of the  
22 marketability of World Class Network's travel tutorial, including the World Class Network  
23 independent travel agent credential.

24 16. World Class Network promotes its travel tutorial and marketing kits at very  
25 large recruiting meetings. In addition, individual account executives sell the kits using the same  
26 pitch given at recruiting meetings and contained in World Class Network's marketing materials.

1 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

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

4 **COUNT ONE**

5 18. In numerous instances, in connection with the advertising, promotion, marketing,  
6 offering for sale, or sale of the World Class Network travel tutorial, defendants have represented,  
7 directly or by implication, that purchasers can receive discounts and upgrades on their own travel  
8 accommodations of the type generally available to travel agents because the independent travel  
9 agent identification card provided by World Class Network is recognized by many travel industry  
10 service providers.

11 19. In truth and in fact, in numerous instances purchasers cannot receive discounts and  
12 upgrades on their own travel accommodation of the type generally available to travel agents  
13 because the independent travel agent identification card provided by World Class Network is not  
14 recognized by many travel industry service providers. Many airlines, hotels and car rental  
15 companies have policies that require a travel agent to possess a valid International Airlines Travel  
16 Agents Network ("IATAN") card to obtain discounts and upgrades for personal travel  
17 accommodations, and World Class Network cannot obtain these IATAN cards for its independent  
18 travel agents.

19 20. Therefore, defendants' representations, as described in paragraph 18, were and are  
20 false and misleading, and constitute deceptive acts or practices in violation of Section 5(a) of the  
21 FTC Act, 15 U.S.C. § 45(a).

22 **COUNT TWO**

23 21. In numerous instances, in connection with the advertising, promotion, marketing,  
24 offering for sale, or sale of their World Class Network kits, defendants have represented, directly  
25 or by implication, that they provide purchasers with sufficient training and support to open and  
26 operate a functioning at-home travel business venture, and that purchasers can reasonably expect  
27 to achieve various specific levels of earnings.

22. In truth and in fact, defendants' kits do not provide purchasers with sufficient training and support to open and operate a functioning at-home travel business venture, and few purchasers, if any, achieve earnings at or approaching the levels promised by the defendants.

23. Therefore, defendants' representations, as described in paragraph 21, were and 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**

24. Consumers in many areas of the United States have suffered substantial monetary loss as a result of defendants' unlawful acts or practices. 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 other ancillary relief to remedy injury caused by defendants' law violations.

**PRAYER FOR RELIEF**

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

- 1. Award plaintiffs 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;
- 2. Permanently enjoin defendants from violating Section 5 of the Federal Trade Commission Act, as alleged herein;
- 3. Award plaintiff such relief as this Court finds necessary to redress injury to consumers resulting from defendants' violations of the FTC Act, including, but not limited to,

1 recession of contracts, the refund of monies paid, and disgorgement of unlawfully obtained  
2 profits; and

3 4. Award plaintiff the cost of bringing this action, as well as such other and additional  
4 equitable relief as the Court may determine to be proper and just.

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Respectfully submitted,  
STEPHEN CALKINS  
General Counsel

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

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Raymond E. McKown  
John Andrew Singer  
Ann I. Jones