IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA

FEDERAL TRADE COMMISSION,	)	
Plaintiff,	)	**Docket No.**
v.	)	
PRECISION COMMUNICATIONS ADMINISTRATION, INC., A Florida corporation; and	)	
JEFFREY BLAYZ, a/k/a John Blammy, John Jeff Sutton, Jeff Gagliano, and John Colburn, individually, and as an officer and director of PRECISION COMMUNICATIONS ADMINISTRATION, INC.,	)	
Defendants.	)	

PLAINTIFF FEDERAL TRADE COMMISSION'S COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

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

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

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).

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).

PLAINTIFF

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 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).

DEFENDANTS

5. Defendant Precision Communications Administration, Inc. ("Precision"), is a Florida corporation with its principal place of business at 3842 Curry Ford Road, Orlando, Florida, 32806. Precision promotes and sells pay-per-call business ventures to consumers, and additionally sells advertising for those and other pay-per-call services. Precision transacts business in the Middle District of Florida.

6. Defendant Jeffrey Blayz a/k/a John Blammy, John Jeff Sutton, Jeff Gagliano, and John Colburn ("Blayz"), is an officer, director and principal owner of defendant Precision Communications Administration, Inc. 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 defendant Precision, including the acts and practices set forth in this complaint. He resides and transacts business in the Middle District of Florida.

COMMERCE

7. At all times relevant to this complaint, defendants have maintained a substantial course of trade in the offering for sale and sale of business enterprises, in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' COURSE OF CONDUCT

8. Since at least January 1996, defendants have marketed and sold pay-per-call (900-number) business ventures to consumers throughout the United States. Defendants' business venture includes advertising packages for pay-per-call telephone lines, with the pay-per-call lines thrown in for free -- or for a nominal amount -- and other services necessary to operate the lines. The pay-per-call lines include "psychic lines," "date lines," "sports scoreboards," "fantasy lines," "party lines," "joke lines," "gardening help line," "soap opera review," and a "pet hotline."

9. In the course and conduct of marketing and selling their business ventures, the defendants have made numerous representations to prospective purchasers concerning the earnings potential of the business venture. Revenue generated by pay-per-call lines consists of fees paid by callers for the information or entertainment program they hear when they dial these numbers. Fees for the information or entertainment programs are charged to callers' telephone bills. As part of the business arrangement, the defendants promise to collect the revenue generated by calls from members of the public to the pay-per-call lines, and to distribute to the business venture purchaser his or her portion of those proceeds monthly.

10. Consumers pay between $640 and $2,236 for these business ventures, which generally include at least one month's advertising, advertising copy, and one pay-per-call line. Defendants offer a variety of advertising packages, which vary greatly in price, depending upon where the advertisements are placed. Defendants encourage their

business venture purchasers to spend what they can on advertising, explaining that their profits will be directly related to their advertising efforts.

11. Defendants also promise to provide its purchasers with additional services, such as sending them weekly call count reports that list the activity on their pay-per-call lines, and sending them proof of advertising placed on the purchasers' behalf.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

COUNT ONE

13. In numerous instances, in connection with the advertising, promotion, marketing, offering for sale, or sale of pay-per-call business ventures, defendants have represented, directly or by implication, that purchasers of their pay-per-call business ventures may reasonably expect to achieve a specific level of earnings, such as 1.3 to 1.7 times the amount of money the purchaser invests in advertising for the lines (i.e., if the purchaser spends $1,000 per month in advertising, he or she can expect to receive revenue of between $1,300 and $1,700 per month).

14. In truth and in fact, few, if any, purchasers have achieved the specific levels of earnings promised by defendants, as described in Paragraph 13, above.

15. Therefore, defendants' representations regarding purchasers' level of earnings, as set forth in Paragraph 13, 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).

COUNT TWO

16. In numerous instances, in connection with the advertising, promotion, marketing, offering for sale, or sale of pay-per-call business ventures, defendants have represented, directly or by implication, that defendants will provide additional services to their business venture purchasers, including, but not limited to:

a. Sending business venture purchasers a monthly check, consisting of the agreed-upon portion of the revenue generated by the purchasers' pay-per-call lines;

b. Sending business venture purchasers weekly call count reports, which reflect the purchasers' pay-per-call activity; or

c. Sending business venture purchasers proof of the advertising placed on the purchasers' behalf.

17. In truth and in fact, in numerous instances, defendants have failed to provide business venture purchasers with additional services, as described in Paragraph 16, above, and have failed to:

a. Send business venture purchasers a monthly check, consisting of the agreed-upon portion of the revenue generated by the purchasers' pay-per-call lines;

b. Send business venture purchasers weekly call counts reports, which reflect the purchasers' pay-per-call activity; or

c. Send business venture purchasers proof of the advertising placed on the purchasers' behalf.

18. Therefore, defendants' representations regarding distribution of revenues to their business venture purchasers, distribution of weekly call count reports, and proof of advertising, as set forth in Paragraph 16, 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

19. 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

20. 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.

21. 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, 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 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 the FTC Act;

3. Award 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, rescission of contracts, 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 this Court may determine to be just and proper.

Respectfully submitted,

STEPHEN CALKINS
General Counsel

MYRA HOWARD

Trial Counsel
Federal Trade Commission - Room 238
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580
(202) 326-2047
Fax (202) 326-3395