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CLEARING HOUSE COURT
CENTRAL DISTRICT OF CALIF.

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11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.

16 PATRICK CELLA, an individual, d/b/a
17 QUIK CASH, U-MAIL, INNOVATIVE
SERVICES, CENTRAL SOLUTIONS,
18 PARALLAX BUSINESS SERVICES,
and ACE DISTRIBUTING CENTER,

19 IRENE HERRERA, an individual, d/b/a
20 QUIK CASH, INNOVATIVE
SERVICES, CENTRAL SOLUTIONS
and EXECUTIVE WORLDWIDE,

21 JAMES ZEZULA, an individual, d/b/a
22 EASY MONEY, COAST
DISTRIBUTING and CREDIT
23 SOLUTIONS, and

24 VINCENT ZEZULA, an individual,
25 d/b/a COAST DISTRIBUTING and
EXECUTIVE WORLDWIDE,

26 Defendants.
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CV-03-3202

COMPLAINT FOR
PERMANENT INJUNCTION
AND OTHER EQUITABLE
RELIEF

1 Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its
2 Complaint alleges as follows:

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

8 **JURISDICTION AND VENUE**

9 2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§
10 45(a) and 53(b) and 28 U.S.C. §§ 1331, 1337(a), and 1345.

11 3. Venue in the United States District Court for the Central District of
12 California is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).

13 **PLAINTIFF**

14 4. Plaintiff, the FTC, is an independent agency of the United States
15 Government created by statute. 15 U.S.C. § 41 *et seq.* The Commission enforces
16 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits deceptive or unfair
17 acts or practices in or affecting commerce. The Commission is authorized to initiate
18 federal district court proceedings, by its own attorneys, to enjoin violations of the
19 FTC Act and to secure such other equitable relief as may be appropriate in each case,
20 including redress and disgorgement. 15 U.S.C. § 53(b).

21 **DEFENDANTS**

22 5. Defendant Patrick Cella is an individual doing business as Quik Cash, U-
23 Mail, Innovative Services, Central Solutions, Parallax Business Services and Ace
24 Distributing Center, each an unincorporated entity and each, except for Ace
25 Distributing Center, a registered fictitious business name ("FBN"). At all times
26 material to this complaint, acting alone or in conjunction with others, he has
27 formulated, directed, controlled, or participated in the acts and practices alleged in
28

1 this complaint. He transacts or has transacted business in the Central District of
2 California and throughout the United States.

3 6. Defendant Irene Herrera is an individual doing business as Quik Cash,
4 Innovative Services, Central Solutions, and Executive Worldwide, each an
5 unincorporated entity and a registered FBN. At all times material to this complaint,
6 acting alone or in conjunction with others, she has formulated, directed, controlled, or
7 participated in the acts and practices alleged in this complaint. She transacts or has
8 transacted business in the Central District of California and throughout the United
9 States.

10 7. Defendant James Zezula is an individual doing business as Easy Money,
11 Coast Distributing and Credit Solutions, each an unincorporated entity and each,
12 except for Coast Distributing, a registered FBN. At all times material to this
13 complaint, acting alone or in conjunction with others, he has formulated, directed,
14 controlled, or participated in the acts and practices alleged in this complaint. He
15 transacts or has transacted business in the Central District of California and
16 throughout the United States.

17 8. Defendant Vincent Zezula is an individual doing business as Coast
18 Distributing and Executive Worldwide, each an unincorporated entity. Executive
19 Worldwide is also a registered FBN. At all times material to this complaint, acting
20 alone or in conjunction with others, he has formulated, directed, controlled, or
21 participated in the acts and practices alleged in this complaint. He transacts or has
22 transacted business in the Central District of California and throughout the United
23 States.

24 9. As more fully described in paragraphs 11-23, Defendants jointly participate
25 as a common enterprise in the conduct alleged in this complaint.

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1 **COMMERCE**

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

5 **DEFENDANT'S BUSINESS PRACTICES**

6 11. Since at least November 1999, Defendants, or agents acting on their
7 behalf, have registered a series of FBNs, including but not limited to Quik Cash, Easy
8 Money, U-Mail and Executive Worldwide, in Los Angeles and Ventura Counties and
9 rented a succession of commercial mailboxes for those FBNs in the greater Los
10 Angeles metropolitan area.

11 12. Since at least November 1999, Defendants, or agents acting on their
12 behalf, have offered for sale or sold purported envelope stuffing, work-at-home
13 opportunities to consumers throughout the United States. Defendants have promoted
14 their work-at-home opportunities to prospective purchasers through electronic media,
15 including unsolicited commercial email ("spam") and Internet websites.

16 13. The typical email received, or website visited, by consumers references
17 one of the Defendants' many FBN names as the promoter of the work-at-home
18 opportunity. However, the typical email or website omits a physical business
19 premises address for Defendants, Defendants' staff persons' names, and a telephone
20 number for Defendants. Instead, the only contact information for Defendants that the
21 typical email or website contains is one of the FBN commercial mailbox addresses to
22 which consumers should send their payments.

23 14. The typical email or website instructs consumers to send Defendants \$50,
24 \$45 for order processing, plus \$5 postage and handling, as payment for the work-at-
25 home opportunity.

26 15. The typical email or website states that Defendants' "very profitable work-
27 at-home program" merely requires consumers to perform three "very simple" tasks:
28 (1) folding pamphlets provided by Defendants, (2) inserting them into pre-addressed,

1 postage paid envelopes provided by Defendants, and (3) mailing the stuffed
2 envelopes:

3 **PROGRAM DESCRIPTION:**

4 Our program simply involves the folding and processing of pamphlets.

5 ... It's that simple! You **NEVER** have to pay any postage costs ...

6 [T]he pre-addressed, postage paid envelopes will always be mailed

7 directly to your home ... You simply fold the pamphlets, insert them in

8 the provided envelopes and drop the envelopes back into the mail!

9 16. In the typical email or website, Defendants promise to pay consumers \$1
10 for each envelope stuffed, stating that consumers can earn up to \$1,500 in income per
11 week for stuffing and mailing Defendants' envelopes:

12 **YOU WILL ALWAYS RECEIVE A FULL \$1.00 FOR EACH &**

13 **EVERY PAMPHLET THAT YOU PROCESS!** If you process 500

14 pamphlets you will receive a full \$500.00.. If you process 1,000

15 pamphlets you will receive a full \$1,000.00... if you process 1,500

16 pamphlets you will receive a full \$1,500.00..Etc! ... It's simple, process

17 1,500 pamphlets, receive A **FULL \$1,500.00** for your time and effort!

18 ... Even working slowly, you could still earn a **MUCH BETTER**

19 weekly income than most regular 9:00 AM to 5:00 PM jobs!

20 17. The typical email or website further promises to refund consumers'
21 order processing payments, and assures consumers that the work-at-home
22 opportunity is both "honest and proven" and "**100% LEGAL and**
23 **LEGITIMATE.**"

24 18. In numerous instances, consumers who pay Defendants' fees do not
25 receive the envelope stuffing materials they were promised. Instead, they receive
26 nothing at all.

27 19. In numerous other instances, Defendants provide to consumers an
28 instruction booklet, frequently titled "Home Workers Guide," instead of the

1 promised pamphlets and postage prepaid, pre-addressed envelopes.

2 20. That booklet instructs consumers to place advertisements in
3 newspapers to solicit new individuals (“new individuals”) to purchase a sales
4 pamphlet describing how to clean up bad credit. The advertisement encourages
5 each new individual to send the consumer a postage prepaid, self-addressed
6 envelope, plus \$1. The consumer is instructed to keep any dollars that he
7 receives from the new individuals, and mail those new individuals a sales
8 pamphlet for a “Credit Repair Manual” in the postage prepaid, self-addressed
9 envelope. After that, if the new individuals choose to respond to the sales
10 pamphlet, they can purchase the credit repair manual from the consumer for \$20.

11 21. Defendants’ sales pamphlet and the credit repair manual are included
12 inside the booklet. These documents contain promises that the Defendants’
13 credit repair manual can be used to cleanse the new individuals’ credit reports of
14 “any negative credit items,” such as “bankruptcies, foreclosures, slow payments,
15 court judgments, liens, etc.” The manual instructs new individuals to contact
16 credit reporting agencies to “**DISPUTE ANY & ALL**” negative credit items. If
17 negative items remain on a credit report after the first dispute, new individuals
18 are told to dispute repeatedly “**ANY & ALL** negative or incorrect items” until all
19 of the new individual’s “credit reports are completely cleared” of such negative
20 items. The sales pamphlet states that “[o]nce these negative items are removed
21 from your credit files they will **NEVER** reappear on any of your credit files
22 again!” Defendants promise that their credit repair technique is “**FAST,**
23 **SIMPLE,** and **PROVEN!**” and that it is “**100% LEGAL & LEGITIMATE!**”

24 22. In numerous instances, consumers attempt to contact Defendants to
25 complain about Defendants’ failure to deliver as promised. Consumers reply to
26 the “from” address of the spam and mail letters to the relevant FBN at its
27 corresponding commercial mailbox address. These email messages typically are
28 returned to consumers as undeliverable, and the letters typically go unanswered.

1 23. Since at least February 2001, Defendants, or agents acting on their
2 behalf, have sent versions of the spam that contain fictitious "from" information.
3 For example, in numerous instances, Defendants' spam purports to be from well-
4 known email or Internet service providers such as Hotmail, MSN and Pacific
5 Bell. Additionally, in numerous instances, Defendants' spam contain misleading
6 subject lines that denote both importance and relevance to the recipients' email
7 account or Internet usage, such as "ALL MEMBERS MUST READ. DO NOT
8 DELETE." The well-known email and Internet service providers, however, do
9 not originate the spam to consumers and do not authorize the Defendants' use of
10 their names.

11 VIOLATIONS OF THE FTC ACT

12 24. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or
13 deceptive acts or practices affecting commerce. Misrepresentations or omissions
14 of material fact constitute deceptive acts or practices pursuant to Section 5(a) of
15 the FTC Act. As set forth below, Defendants, individually or in concert with
16 others, have violated Section 5 of the FTC Act in connection with the
17 advertising, offering for sale, or selling of goods or services over the Internet.

18 COUNT ONE

19 25. In numerous instances, in the course of offering for sale and selling a
20 purported work-at-home opportunity, Defendants represent expressly or by
21 implication that consumers, who pay Defendants' fees, are likely to earn a
22 substantial amount of money from Defendants' work-at-home program.

23 26. In truth and in fact, consumers who pay Defendants' fees are not
24 likely to earn a substantial amount of money from Defendants' work-at-home
25 program.

26 27. Therefore, Defendants' representation set forth in paragraph 25 is
27 false and deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C.
28 § 45(a).

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COUNT TWO

28. In numerous instances, in the course of offering for sale and selling a purported work-at-home opportunity, Defendants represent expressly or by implication that they will provide consumers, who pay Defendants' fees, with pamphlets for mailing and with pre-addressed, pre-stamped envelopes to stuff, and that Defendants will pay such consumers \$1 for each such envelope that consumers stuff and mail.

29. In truth and in fact, Defendants do not provide consumers, who pay Defendants' fees, with pamphlets for mailing and with pre-addressed, pre-stamped envelopes to stuff, and Defendants do not pay such consumers \$1 for each such envelope that consumers stuff and mail.

30. Therefore, Defendants' representations set forth in paragraph 28 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 THREE

31. In numerous instances, in the course of offering for sale and selling a purported work-at-home opportunity, Defendants represent, expressly or by implication, that Defendants will fully refund the order processing fee paid by consumers.

32. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in paragraph 31, Defendants do not fully refund the order processing fee paid by consumers who request a refund.

33. Therefore, Defendants' representation set forth in paragraph 31 is false and deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

1 **COUNT FOUR**

2 34. By furnishing consumers with an instruction booklet, a sales pamphlet
3 and a credit repair manual, that contain false and misleading representations,
4 including but not limited to the false and misleading representations described in
5 paragraph 21, Defendants have provided the means and instrumentalities for the
6 commission of deceptive acts and practices.

7 35. Therefore, Defendants' practices, as set forth in paragraph 34,
8 constitute deceptive acts and practices in violation of Section 5(a) of the FTC
9 Act, 15 U.S.C. § 45(a).

10 **COUNT FIVE**

11 36. In numerous instances, in the course of offering for sale and selling a
12 purported work-at-home opportunity, Defendants represent, expressly or by
13 implication, that the sender of the spam is a specific Internet-related business,
14 such as Hotmail, MSN or Pacific Bell, or a company affiliated with these
15 businesses.

16 37. In truth and in fact, the sender of the spam is neither the represented
17 Internet-related business nor an entity affiliated with these businesses.

18 38. By engaging in the representations set forth in paragraph 36,
19 Defendants' acts or practices are false and misleading and constitute deceptive
20 acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

21 **CONSUMER INJURY**

22 39. Defendants' violations of Section 5 of the FTC Act, 15 U.S.C. § 45(a),
23 as set forth above, have caused and continue to cause substantial injury to
24 consumers across the United States. As a result of Defendants' deceptive acts or
25 practices, consumers have suffered substantial monetary loss. In addition,
26 Defendants have been unjustly enriched as a result of their unlawful practices.
27 Absent injunctive relief by this Court, Defendants are likely to continue to injure
28 consumers and harm the public interest.

1 **THIS COURT’S POWER TO GRANT RELIEF**

2 40. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court
3 to grant injunctive and other relief to prevent and remedy Defendants’ violations
4 of the FTC Act, and in the exercise of its equitable jurisdiction, to award redress
5 to remedy the injury to consumers, to order the disgorgement of monies resulting
6 from Defendants’ unlawful acts or practices, and to order other ancillary
7 equitable relief.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Plaintiff, the Federal Trade Commission, requests that this
10 Court, as authorized by Section 13(b) of the FTC Act, and pursuant to its own
11 equitable powers:


12 1. Enter an order enjoining Defendants preliminarily and
13 permanently from violating Section 5(a) of the FTC Act and freezing
14 Defendants’ assets;

15 2. Award Plaintiff such relief as the Court finds necessary to redress
16 the injury to consumers caused by Defendants’ violations of the FTC Act,
17 including, but not limited to, rescission of contracts, restitution, disgorgement of
18 ill-gotten gains and the refund of monies paid; and

19 3. Award Plaintiff the costs of bringing this action, as well as such
20 other and additional relief as the Court may deem just and proper.

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22 Dated: May 7, 2003

 Respectfully submitted,
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24 General Counsel

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26 
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