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AT SEATTLE  
CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

9125-8954 QUEBEC INC., D.B.A. GLOBAL  
MANAGEMENT SOLUTIONS, a Canadian  
corporation;  
9125-8947 QUEBEC INC., D.B.A.  
COMMUTEL MARKETING, a Canadian  
corporation;  
6050808 CANADA INC., D.B.A.  
AMERICAN BUSINESS SOLUTIONS, a  
Canadian corporation;  
TY NGUYEN, individually and as a director or  
officer of Global Management Solutions and  
Commutel Marketing;  
CORY KORNELSON, individually and as a  
director or officer of Global Management  
Solutions;  
BYRON STECZKO, individually and as a  
director or officer of Commutel Marketing;  
KELLY NGUYEN, individually and as a  
director or officer of American Business  
Solutions; and  
MINH TAM VO, individually and as a director  
or officer of American Business Solutions,

Defendants.

Case No.

05-0265752

FILED UNDER SEAL

COMPLAINT FOR INJUNCTION  
AND OTHER EQUITABLE RELIEF

FILED UNDER SEAL



05-CV-00265-CMP

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

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act  
("FTC Act"), 15 U.S.C. § 53(b), to secure temporary, preliminary and permanent injunctive relief,

1 rescission of contracts and restitution, disgorgement of ill-gotten gains, and other equitable relief for  
2 defendants' deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45 (a).

### 3 JURISDICTION AND VENUE

4 2. This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a) and 53(b), and  
5 28 U.S.C. §§ 1331, 1337(a), and 1345.

6 3. Venue in the United States District Court for the Western District of Washington is  
7 proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b), (c), and (d).

### 8 PLAINTIFF

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

### 15 DEFENDANTS

16 5. Defendant 9125-8954 Quebec Inc., d.b.a. Global Management Solutions ("Global"), is a  
17 Canadian corporation with its business office located at 666 Sherbrooke Street West, #1401, Montreal,  
18 Quebec H3A 1E7. Global also maintains or has maintained a mailbox drop at 816 Elm Street, #482,  
19 Manchester, New Hampshire 03101. Global transacts or has transacted business in the Western  
20 District of Washington.

21 6. Defendant 9125-8947 Quebec Inc., d.b.a. Commutel Marketing ("Commutel") is a  
22 Canadian corporation with its business office located at 666 Sherbrooke Street West, #500, Montreal,  
23 Quebec H3A 1E7. Commutel also maintains or has maintained mailbox drops at 40 East Main Street,  
24 #338, Newark, Delaware 19711, and 2014 North Saginaw Road, #159, Midland, Michigan 48640.  
25 Commutel transacts or has transacted business in the Western District of Washington.

26 7. Defendant Ty Nguyen, a.k.a. Hiep Manh Nguyen, is or has been an owner, officer or  
27 director of Global and Commutel. At all times material to this Complaint, acting alone or in concert  
28 with others, Ty Nguyen formulated, directed, controlled or participated in the acts and practices of

1 Global and Commutel, including the acts and practices set forth in this Complaint. Defendant Ty  
2 Nguyen transacts or has transacted business in the Western District of Washington.

3 8. Defendant Cory Kornelson is or has been an owner, officer or director of Global. At all  
4 times material to this Complaint, acting alone or in concert with others, Kornelson formulated,  
5 directed, controlled or participated in the acts and practices of Global, including the acts and practices  
6 set forth in this Complaint. Defendant Kornelson transacts or has transacted business in the Western  
7 District of Washington.

8 9. Defendant Byron Steczko is or has been an owner, officer or director of Commutel. At  
9 all times material to this Complaint, acting alone or in concert with others, Steczko formulated,  
10 directed, controlled or participated in the acts and practices of Commutel, including the acts and  
11 practices set forth in this Complaint. Defendant Steczko transacts or has transacted business in the  
12 Western District of Washington.

13 10. Defendant 6050808 Canada Inc., d.b.a. American Business Solutions ("ABS"), is a  
14 Canadian corporation with its registered office located at 1260 Craigflower Road, Victoria, British  
15 Columbia, Canada V9A 2Y6. ABS has a business office at 239 Menzies Street, Suite 201, Victoria,  
16 British Columbia, Canada V8V 2G6. ABS also maintains or has maintained mailbox drops at 2034  
17 East Lincoln Avenue, Suite 332, Anaheim, California 92806, and 59 Damonte Ranch Parkway, Suite  
18 #B-324, Reno, Nevada 89521. ABS transacts or has transacted business in the Western District of  
19 Washington.

20 11. Defendant Kelly Nguyen, a.k.a. Phu Minh Huy Nguyen, is or has been an owner, officer  
21 or director of ABS. At all times material to this Complaint, acting alone or in concert with others,  
22 Kelly Nguyen formulated, directed, controlled or participated in the acts and practices of ABS,  
23 including the acts and practices set forth in this Complaint. Defendant Kelly Nguyen transacts or has  
24 transacted business in the Western District of Washington.

25 12. Defendant Minh Tam Vo is or has been an owner, officer or director of ABS. At all  
26 times material to this Complaint, acting alone or in concert with others, Vo formulated, directed,  
27 controlled or participated in the acts and practices of ABS, including the acts and practices set forth in  
28 this Complaint. Defendant Vo transacts or has transacted business in the Western District of

1 Washington.

2 **COMMERCE**

3 13. At all times relevant to this Complaint, defendants have maintained a substantial course  
4 of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C.  
5 § 44.

6 **DEFENDANTS' BUSINESS PRACTICES**

7 14. Since at least 2003, and continuing thereafter, defendants have engaged in a plan,  
8 program or campaign to sell business directories and listings in business directories via interstate  
9 telephone calls to various businesses and other organizations (hereinafter referred to as "consumers")  
10 throughout the United States.

11 15. Defendants Commutel, Ty Nguyen, and Steczko market the "Commutel Business  
12 Directory," a CD-ROM business directory, and listings in the directory by making unsolicited  
13 outbound telephone calls to U.S. consumers.

14 16. Defendants ABS, Kelly Nguyen, and Vo market the "American Business Solutions  
15 Directory," a CD-ROM business directory, and listings in the directory by making unsolicited  
16 outbound telephone calls to U.S. consumers.

17 17. Both the Commutel and ABS defendants (hereinafter collectively referred to as "selling  
18 defendants") use virtually identical deceptive tactics to sell or to induce consumers to pay for similar  
19 business directories and listings in the directories. Typically, selling defendants' telemarketers tell  
20 consumers that they are calling to verify the consumer's name, address, and telephone number for a  
21 listing in a business directory. Selling defendants' telemarketers represent, expressly or by implication,  
22 that the consumer previously was listed in the directory or that someone else in the consumer's  
23 organization previously authorized the current purchase.

24 18. When consumers are reluctant to verify the listing information or do not believe their  
25 company has ordered the listing, selling defendants assure consumers that they have a 30-day trial  
26 period during which they can review the directory with no obligation to pay.

27 19. In numerous instances, consumers believe selling defendants' representations that the  
28 consumers previously have been listed in the business directory, that someone else in their organization

1 previously authorized the purchase, or that consumers have a 30-day, no-obligation trial period. Thus,  
2 consumers who receive selling defendants' telemarketing calls proceed to verify the requested  
3 information.

4 20. In numerous instances, once consumers have confirmed the requested information, a  
5 verifier employed by a selling defendant calls the consumer and again asks for verification of their  
6 name, address, and telephone number. Answers to these questions are recorded and selling defendants  
7 later point to these recordings as evidence that consumers authorized the purchase of the business  
8 directory and/or listing.

9 21. Selling defendants follow up their telephone calls by mailing invoices to consumers.  
10 The invoices may or may not be accompanied by the directory itself. The invoices mailed by the  
11 Commutel defendants typically bill consumers between \$349-\$459 for the "Commutel Business  
12 Directory, Vol. 2 CD and Listing." The invoices mailed by the ABS defendants typically bill  
13 consumers between \$249-\$399 for the "American Business Solutions Directory, Volume One CD and  
14 Listing." Selling defendants typically mail their invoices to the attention of the individual who took  
15 selling defendants' telemarketing call, and the invoices often list that individual as having authorized  
16 the order.

17 22. In some instances, selling defendants mail invoices and directories to consumers who  
18 have expressly stated during a telemarketing call that they are not interested in the selling defendant's  
19 business directory and/or listing. In other instances, selling defendants simply mail invoices and  
20 sometimes a directory to consumers who selling defendants have not even contacted.

21 23. Upon receiving selling defendants' invoices, consumers often discover that no one  
22 within their organization previously purchased or ordered a business directory and/or listing from the  
23 selling defendant and that the selling defendant has billed the consumer for a "new" purchase. When  
24 these consumers contact the selling defendant to complain that they never agreed to a purchase, they  
25 are told that the individual who took the selling defendant's telemarketing call ordered the directory  
26 and/or listing. The selling defendant purports to have a tape recording of that individual ordering the  
27 directory and/or listing, and the selling defendant tells the consumer that the tape recording constitutes  
28 a binding oral contract. Selling defendants refuse to permit consumers to cancel the order, citing the

1 | alleged oral contract. In some instances, selling defendants tell these consumers that they can obtain a  
2 | refund only for the returned CD-ROM, but that there is no refund for the listing in the directory.

3 | 24. In numerous instances, consumers do not pay selling defendants' invoices. Selling  
4 | defendants refer these consumers to defendants Global, Ty Nguyen, and Kornelson (hereinafter  
5 | referred to collectively as "collecting defendants"), who purport to be an independent collection agency  
6 | that selling defendants have retained to collect on consumer accounts. Collecting defendants make  
7 | numerous collection calls to these consumers, send repeated dunning notices, and threaten to damage  
8 | consumers' credit ratings, initiate legal action, and pursue "other measures to recover the debt."

9 | 25. In numerous instances, consumers advise collecting defendants that they do not owe the  
10 | selling defendant anything because no one in the consumer's organization ordered the business  
11 | directory and/or listing, or because the selling defendant assured them that they had a 30-day trial  
12 | period during which they could review the directory without incurring financial obligation. Despite  
13 | repeatedly being put on notice that consumers did not authorize the purchase of the directory and/or  
14 | listing, or that they were reviewing the directory on a 30-day trial basis, collecting defendants continue  
15 | to engage in collection efforts on behalf of selling defendants. In some instances, consumers proceed  
16 | to pay selling defendants' invoices either because they are led to believe that someone within their  
17 | organization placed the order or because they want to put an end to the harassing telephone calls and  
18 | mailings.

19 | **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

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

22 | 27. Misrepresentations of material fact constitute unfair or deceptive acts or practices  
23 | prohibited by Section 5(a) of the FTC Act.

24 | **COUNT I**

25 | 28. In connection with the offering for sale, sale or distribution of their business directory  
26 | and/or listings in their business directory, defendants Commutel, ABS, Ty Nguyen, Steczko, Kelly  
27 | Nguyen, and Vo have represented to consumers, expressly or by implication, that consumers have  
28 | previously authorized the purchase of the business directory and/or listing in the directory.

1 29. In truth and in fact, in numerous instances, consumers have not authorized the purchase  
2 of the business directory and/or listing in the directory.

3 30. Therefore, defendants' representations set forth in Paragraph 28 are false and  
4 misleading, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act,  
5 15 U.S.C. § 45(a).

6 **COUNT II**

7 31. In connection with the offering for sale, sale or distribution of their business directory  
8 and/or listings in their business directory, defendants Commutel, ABS, Ty Nguyen, Steczko, Kelly  
9 Nguyen, and Vo have represented to consumers, expressly or by implication, that consumers have  
10 agreed to purchase the business directory and/or listing in the directory.

11 32. In truth and in fact, in numerous instances, consumers have not agreed to purchase the  
12 business directory and/or listing in the directory.

13 33. Therefore, defendants' representations set forth in Paragraph 31 are false and  
14 misleading, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act,  
15 15 U.S.C. § 45(a).

16 **COUNT III**

17 34. In connection with the offering for sale, sale or distribution of their business directory  
18 and/or listings in their business directory, defendants Commutel, ABS, Ty Nguyen, Steczko, Kelly  
19 Nguyen, and Vo have represented to consumers, expressly or by implication, that consumers can  
20 review the business directory on a trial basis without incurring financial obligation.

21 35. In truth and in fact, in numerous instances, consumers cannot review the business  
22 directory on a trial basis without incurring financial obligation.

23 36. Therefore, defendants' representations set forth in Paragraph 34 are false and  
24 misleading, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act,  
25 15 U.S.C. § 45(a).

26 **COUNT IV**

27 37. To induce consumers to pay for the business directory and/or listings in the business  
28 directory, defendants Global, Ty Nguyen, and Kornelson have represented to consumers, expressly or

1 | by implication, that consumers owe money to defendants Commutel or ABS for the business directory  
2 | and/or listing in the directory.

3 | 38. In truth and in fact, in numerous instances, consumers do not owe money to defendants  
4 | Commutel or ABS for the business directory and/or listing in the directory.

5 | 39. Therefore, defendants' representations set forth in Paragraph 37 are false and  
6 | misleading, and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act,  
7 | 15 U.S.C. § 45(a).

### 8 | CONSUMER INJURY

9 | 40. Consumers throughout the United States have suffered and continue to suffer substantial  
10 | monetary loss as a result of defendants' unlawful acts or practices. Absent injunctive relief from this  
11 | Court, defendants are likely to continue to injure consumers and harm the public interest.

### 12 | THIS COURT'S POWER TO GRANT RELIEF

13 | 41. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant  
14 | injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the  
15 | FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief  
16 | including, but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten  
17 | gains, to prevent and remedy injury caused by defendants' law violations.

### 18 | PRAYER FOR RELIEF

19 | Wherefore, plaintiff, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the  
20 | Court's own equitable powers, request this Court to:

21 | 1. Award plaintiff such temporary and preliminary injunctive and ancillary relief as may be  
22 | necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve  
23 | the possibility of effective final relief;

24 | 2. Permanently enjoin defendants from violating the FTC Act, as alleged herein;

25 | 3. Award such equitable relief as the Court finds necessary to redress injury to consumers  
26 | resulting from defendants' violations of the FTC Act including, but not limited to, rescission of  
27 | contracts and restitution, and the disgorgement of ill-gotten gains by the defendants; and

28 | 4. Award plaintiff the costs of bringing this action, as well as such other and additional




1 equitable relief as the Court may determine to be just and proper.

2  
3 Dated: \_\_\_\_\_, 2005

Respectfully Submitted,

4 JOHN D. GRAUBERT  
Acting General Counsel

5 CHARLES A. HARWOOD  
6 Regional Director

7  
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