

including rescission of contracts, restitution, and disgorgement, as is necessary to redress injury to consumers and the public interest resulting from Defendants' violations of the FTC Act.

JURISDICTION AND VENUE

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

3. Venue in this district is proper under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b), as amended by FTC Act Amendments of 1994, Pub. L. No. 103-312, 108 Stat. 1691.

PLAINTIFF

4. Plaintiff, FTC, is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41 *et seq.* The FTC 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 FTC is authorized to initiate federal district court proceedings to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including disgorgement and consumer redress. 15 U.S.C. § 53(b).

DEFENDANTS

5. Defendant NATIONAL CRAFTERS, CORP., is a Florida corporation with its principal place of business at 8549 S.W. 159th Avenue, Miami, Florida 33193. NATIONAL CRAFTERS transacts or has transacted business in the Southern District of Florida.

6. Defendant DIAZ is the owner and principal of Defendant NATIONAL CRAFTERS. 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 NATIONAL CRAFTERS, including the acts and

practices set forth in this complaint. He resides, transacts, or has transacted business in the Southern District of Florida.

COMMERCE

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

DEFENDANTS’ BUSINESS ACTIVITIES

8. Since at least 1998, Defendants have engaged in the business of advertising, soliciting, and selling a work-at-home opportunity in which the consumers pay money in order to become home assemblers of beaded bracelets for Defendants.

9. Defendants advertise and solicit their work-at-home employment opportunity through various marketing vehicles, including but not limited to direct mail marketing letters and work-at-home business opportunity booklets.

10. Through one or more of these marketing vehicles, Defendants induce prospective home assemblers to invest by representing that Defendants need workers to assemble handcrafted or Native American beaded bracelets in the workers’ own homes for Defendants, and that Defendants will pay the work-at-home assemblers for the assembled bracelets.

11. Through one or more of these marketing vehicles, Defendants further represent that the assembly work is easy and requires no prior experience.

12. Through one or more of these marketing vehicles, Defendants induce prospective work-at-home assemblers to invest by making representations as to the amount of money a prospective home assembler can reasonably expect to earn assembling the bracelets at home.

13. For example, through one or more of these marketing vehicles, Defendants have represented:

(a) that Defendants pay \$30.00 per unit of bracelets;

(b) that Defendants guarantee that the work-at-home assemblers, working only a few hours a week, can reasonably expect to earn \$360.00 weekly up to \$720.00 or more per week;

(c) that the work-at-home assemblers are needed to assist with Defendants' "overwhelming" work load by making these bracelet during Defendants' peak season, to fulfil Defendants' bracelet orders; and

(d) that the Defendants supply all tools and materials to make the bracelets.

14. To become a work-at-home assembler for Defendants and achieve the touted earnings, Defendants require a prospective work-at-home assembler to pay approximately \$44.00 as a reimbursable deposit for the materials and instructions needed to assemble the bracelets.

15. Few, if any, of Defendants' work-at-home assemblers ever realize the earnings promised by Defendants.

16. Defendants frequently provide inadequate materials to enable the work-at-home assemblers to construct commercially salable bracelets in accordance with Defendants' instructions and specifications.

17. In numerous instances, Defendants have rejected the bracelets that are submitted by the work-at-home assemblers, on the basis that the bracelets do not meet Defendants' specifications.

18. Defendants frequently refuse to pay for the assembled items; and Defendants often

refuse to issue a refund of the materials deposit until the consumer files a complaint with a governmental agency or Better Business Bureau.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

19. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), provides that unfair or deceptive acts or practices in or affecting commerce are unlawful. Misrepresentations and omissions of material facts made to induce a reasonable consumer to invest are deceptive acts or practices that are prohibited by Section 5(a) of the FTC Act.

COUNT ONE

20. As alleged herein, in numerous instances, in connection with promoting and advertising work-at-home opportunities and soliciting consumers to pay money to become work-at-home assemblers for Defendants, Defendants have represented, expressly or by implication, to consumers that work-at-home assemblers can reasonably expect to achieve substantial earnings or a specific level of earnings, including, but not limited to, \$360 to \$720 per week, by assembling bracelets at home.

21. In truth and in fact, work-at-home assemblers cannot reasonably expect to achieve substantial earnings or a specific level of earnings, including, but not limited to, \$360 to \$720 per week, by assembling bracelets at home.

22. Therefore, Defendants' representations, as alleged in Paragraph 20 above, 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

23. As alleged herein, in numerous instances, in connection with promoting and advertising work-at-home opportunities and soliciting consumers to pay money to become work-at-home assemblers for Defendants, Defendants have represented, expressly or by implication, to consumers that Defendants will provide adequate tools and materials to enable the work-at-home assemblers to make commercially salable bracelets according to Defendants' specifications.

24. In truth and in fact, in numerous instances, Defendants fail to provide adequate tools and materials to enable the work-at-home assemblers to make commercially salable bracelets according to Defendants' specifications.

25. Therefore, Defendants' representations, as alleged in Paragraph 23 above, 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

26. Consumers in many areas of the United States have suffered and are suffering monetary loss and other injury as a result of Defendants' deceptive acts or practices, as alleged herein. 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

27. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief, including redress, disgorgement and restitution, to prevent and remedy any violations of any provision of law enforced by the FTC.

28. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to

remedy injury caused by the 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. Preliminarily and permanently enjoin Defendants from violating the FTC Act, as alleged herein;
2. Award the Commission all temporary and preliminary injunctive and ancillary relief, including, but not limited to, an order freezing each Defendants' assets, that 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;
3. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of Section 5(a) 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 the Court may determine to be just and proper.

Date: _____

Respectfully Submitted,

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