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8 UNITED STATES DISTRICT COURT  
9 WESTERN DISTRICT OF WASHINGTON  
10 AT SEATTLE

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12 FEDERAL TRADE COMMISSION,

13 Plaintiff,

14 v.

15 DPS ACTIVITY PUBLISHING, LTD, a  
16 Canadian corporation, also doing business as  
HEALING HANDS BUSY BOOKS,

17 DAVID SUGGITT, individually and as an  
18 officer and director of DPS Activity  
Publishing, Ltd.,

19 TABEA SUGGITT, individually and as a  
20 director of DPS Activity Publishing, Ltd., and

21 MARY ANN WILSON-RENNICK, also  
22 known as MARY ANN WILSON,  
individually and as an officer and/or employee  
of DPS Activity Publishing, Ltd.,

23 Defendants.

CIVIL ACTION NO.

COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF

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

26 1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act  
27 ("FTC Act"), 15 U.S.C. § 53(b), to secure preliminary and permanent injunctive relief, rescission or  
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1 reformation of contracts, restitution, disgorgement, and other equitable relief for defendants' violations  
2 of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### 4 JURISDICTION AND VENUE

5 2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1337(a) and  
6 1345, and 15 U.S.C. §§ 45(a) and 53(b).

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

### 9 PLAINTIFF

10 4. Plaintiff, FTC, is an independent agency of the United States Government created by  
11 statute. 15 U.S.C. §§ 41 *et seq.* The FTC is charged, *inter alia*, with enforcement of Section 5 (a) of  
12 the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting  
13 commerce. The FTC is authorized to initiate federal district court proceedings to enjoin violations of  
14 the FTC Act in order to secure such equitable relief as may be appropriate in each case, and to obtain  
15 consumer redress. 15 U.S.C. § 53(b).

### 16 DEFENDANTS

17 5. Defendant DPS ACTIVITY PUBLISHING, LTD. ("DPS"), doing business as Healing  
18 Hands Busy Books, is a for-profit Canadian corporation with its office and principal place of business  
19 located at 307-10235 124<sup>th</sup> Street, Edmonton, Alberta, Canada. DPS maintains a mail drop at 7323 11<sup>th</sup>  
20 Avenue, NW, Seattle, Washington 98117, and thus transacts or has transacted business in the Western  
21 District of Washington.

22 6. Defendant DAVID SUGGITT, also known as DAVID SUMNER, an officer and  
23 director of DPS, conducts business from Edmonton, Alberta, Canada, through mail drop locations in  
24 the United States, including a mail location in Seattle, Washington. At all times material to this  
25 complaint, acting alone or in concert with others, defendant David Suggitt has formulated, directed,  
26 controlled or participated in the deceptive acts and practices of DPS as set forth in this complaint.  
27 David Suggitt transacts or has transacted business in the Western District of Washington.

1 7. Defendant TABEA SUGGITT, a director of DPS, conducts business from Edmonton,  
2 Alberta, Canada, through mail drop locations in the United States, including a mail location in Seattle,  
3 Washington. At all times material to this complaint, acting alone or in concert with others, defendant  
4 Tabea Suggitt has formulated, directed, controlled or participated in the deceptive acts and practices of  
5 DPS as set forth in this complaint. Tabea Suggitt transacts or has transacted business in the Western  
6 District of Washington.

7 8. Defendant MARY ANN WILSON-RENNICK, also known as MARY ANN WILSON,  
8 an officer and/or employee of DPS, conducts business from Edmonton, Alberta, Canada, through mail  
9 drop locations in the United States, including Seattle, Washington. At all times material to this  
10 complaint, acting alone or in concert with others, defendant Wilson-Rennick has formulated, directed,  
11 controlled or participated in the deceptive acts and practices of DPS as set forth in this complaint.  
12 Wilson-Rennick transacts or has transacted business in the Western District of Washington.

### 13 COMMERCE

14 9. At all times material to this complaint, defendants have maintained a substantial course  
15 of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C.  
16 § 44.

### 17 DEFENDANTS' BUSINESS ACTIVITIES

18 10. Since at least 2002, defendants have solicited small businesses in the United States and  
19 Canada to purchase children's activity books that are then purportedly donated to local hospitals. The  
20 activity book, which defendants publish and sell for \$5 U.S. each, contains pages for coloring, puzzles,  
21 and games for children.

22 11. Defendants' telemarketers call small businesses and solicit purchases of the books by  
23 representing that defendants are affiliated with one or more local hospitals or are authorized by those  
24 hospitals to solicit purchases of the activity books for donation to the hospitals' waiting rooms and  
25 pediatric wards. Defendants tell the businesses that the books that they purchase will go to the  
26 hospitals with a sticker or logo on the cover indicating the name of the business that donated that  
27 particular book. Defendants further represent that the books will be distributed to children in the  
28 hospitals.

1 12. After the businesses agree to purchase defendants' activity books, defendants typically  
2 send them an invoice for the amount of the purchase. The businesses in the United States are  
3 instructed to send their payments to addresses in Chicago, Illinois, Dallas, Texas, or Seattle,  
4 Washington, each of which are private mail drops for the defendants. The mail box locations then  
5 forward the money to the defendants in Canada.

6 13. Contrary to defendants' representations, defendants are not affiliated with any hospitals  
7 in the United States, nor do they have agreements with or authorization from the hospitals to solicit  
8 donations on their behalf. Defendants are not a charity or registered in any state in the United States as  
9 a charitable organization. Many hospitals do not receive the activity books paid for by the businesses.  
10 Those hospitals that do receive defendants' activity books often do not distribute the books to children  
11 in the hospital because they had not authorized the donation or simply do not need them. Defendants'  
12 purported fundraising campaigns harm both the hospitals and the businesses solicited because  
13 businesses who wish to support their local hospitals are deceived and the hospitals may be deprived of  
14 needed support from those same businesses when they conduct their own fundraising projects.

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

17 14. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), provides that "unfair or deceptive acts  
18 or practices in or affecting commerce are hereby declared unlawful."

19 **COUNT I**

20 **AUTHORIZATION OF OR AFFILIATION WITH LOCAL HOSPITALS**

21 15. In numerous instances, in connection with the sale of defendants' children's activity  
22 books, defendants have represented, expressly or by implication, that they are affiliated with or  
23 authorized by one or more local hospitals in the communities where they solicit donations for the  
24 purchase of their children's activity books to undertake such solicitations.

25 16. In truth and in fact, in numerous instances, defendants are not affiliated with or  
26 authorized by one or more local hospitals in the communities where they solicit donations for the  
27 purchase of their children's activity books to undertake such solicitations.  
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1 17. Therefore, the representation set forth in Paragraph 15 is false and misleading and  
2 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

3 **COUNT II**

4 **FAILURE TO DELIVER BOOKS**

5 18. In numerous instances, in connection with the sale of defendants' children's activity  
6 books, defendants have represented, expressly or by implication, that the children at one or more local  
7 hospitals in the communities where they solicit donations for the purchase of their children's activity  
8 books will receive the books purchased by local businesses.

9 19. In truth and in fact, in numerous instances, children at one or more local hospitals in the  
10 communities where they solicit donations for the purchase of their children's activity books do not  
11 receive the books purchased by local businesses.

12 20. Therefore, the representation set forth in Paragraph 18 is false and misleading and  
13 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

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15 **CONSUMER INJURY**

16 21. Hospitals and consumers in many areas of the United States have suffered or are likely  
17 to suffer substantial monetary loss as a result of defendants' unlawful acts or practices. In addition,  
18 defendants have been unjustly enriched as a result of their unlawful practices. Absent injunctive relief  
19 by this Court, the defendants are likely to continue to injure local hospitals and consumers and harm  
20 the public interest.

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22 **THIS COURT'S POWER TO GRANT RELIEF**

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

26 23. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief  
27 to remedy injury caused by the defendants' law violations.

1 **PRAYER FOR RELIEF**

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

- 4 1. Award plaintiff such temporary and preliminary injunctive and ancillary relief as may be  
5 necessary to avert the likelihood of continuing injury during the pendency of this action  
6 and to preserve the possibility of effective final relief, including, but not limited to,  
7 temporary and preliminary injunctions and an order freezing assets;
- 8 2. Permanently enjoin defendants from violating the FTC Act as alleged herein;
- 9 3. Award such relief as the Court finds necessary to redress injury to consumers resulting  
10 from defendants' violations of the FTC Act, including, but not limited to, the rescission  
11 or reformation of contracts, the refund of monies paid, and the disgorgement of ill-  
12 gotten monies; and
- 13 4. Award the plaintiff the costs of bringing this action, as well as such other and additional  
14 relief as the Court may determine to be just and proper.

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16 Respectfully submitted,

17 WILLIAM KOVACIC  
18 General Counsel

19 CHARLES A. HARWOOD  
20 Regional Director

21 NADINE S. SAMTER WSBA # 23881  
22 Attorney for Plaintiff  
23 Federal Trade Commission

24 Dated: \_\_\_\_\_, 2003