

**UNITED STATES DISTRICT COURT
FOR DISTRICT OF SOUTH CAROLINA**

)	
FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Case No.
)	
DARRELL RICHMOND, an individual,)	
doing business as Bargain Shopper)	
Network Direct!/BSN Direct!, Specialty)	
Merchandise Wholesale Direct!/SMW Direct!, and)	
Apex Direct Marketing Group/Apex Enterprises,)	
)	
Defendant.)	
)	

COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

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, restitution, rescission of contracts, disgorgement and other equitable relief for Defendant’s 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 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a) and 1345.

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

PARTIES

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. 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, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including restitution for injured consumers. 15 U.S.C. § 53(b).
1. Defendant Darrell Richmond is an individual doing business as Bargain Shopper Network Direct!/BSN Direct!, Specialty Merchandise Wholesale Direct!/SMW Direct!, and Apex Direct Marketing Group/Apex Enterprises. At all time material to the Complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this Complaint. Darrell Richmond resides in and transacts or has transacted business in the District of South Carolina.

COMMERCE

2. At all times material to this Complaint, Defendant has 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.

DEFENDANT’S BUSINESS ACTIVITIES

3. Since at least the Fall of 2000, and continuing thereafter, Defendant, doing business as Bargain Shopper Network Direct!/BSN Direct!, Specialty Merchandise Wholesale Direct!/SMW Direct!, and, most recently, Apex Direct Marketing Group/Apex Enterprises, has offered for sale and sold purported envelope stuffing employment opportunities to consumers throughout the United States and Canada. Defendant has promoted his employment opportunities to prospective purchasers through various Internet Web sites, including www.bsndirect.com, www.homemailerteam.com, and www.homemailergroup.com
4. On his Web sites, Defendant offers to pay consumers \$2 for each envelope they stuff and return to him, and states that consumers can earn between \$100 to \$1,000 or more each week simply by performing this task.
5. Defendant's Web sites state, e.g., :

How would you like an extra \$100 a week working at home?

Maybe a Thousand?

How about more...

much more!

....

[We] provide work at home & home business opportunities as an alternative to traditional outside employment. Offering a work from home program and independent specialty merchandise distributorship throughout the United States and Canada . . .

Do (sic) to the explosive growth of our business, we must expand our network of Home Mailers throughout the United States and Canada to assist in the distribution of our direct mail circulars

EARN \$2 FOR EACH ENVELOPE YOU STUFF!

HERE IS YOUR CHANCE to earn extra money working at home by becoming an active participant of our successful mailing association. You receive cash weekly for envelopes you stuff. There is no limit. You may stuff as many as you wish. Never any quotas to meet. You set your own work schedule and do as many or as few as you like. You're the boss!

THERE IS ABSOLUTELY NO SELLING REQUIRED WITH THIS PLAN. We pay you for each and every inquiry, whether or not anyone ever buys anything! You make your money by simply securing and stuffing envelopes - not from selling!

You can **START THE SAME DAY** you receive the instructions and begin **RECEIVING MONEY WITHIN TWO WEEKS**, and every week from then on, as long as you desire. You will be supplied with the envelopes which will be sent directly to you already stamped and addressed, ready for you to stuff with our sales circulars All you need is ambition, opportunity, and action

You will not be required or asked to pay for any additional information, manuals, or instructions.

6. Defendant states on his Web site that consumers are required to submit a "one-time set-up fee of **only \$35**" (emphasis in original) to participate in his business opportunity. Defendant also states, "[n]aturally, no business can afford to send out costly materials to everyone who writes in asking for it. This small charge assures us that you are serious about working from your home with our company!" Defendant thereafter offers a full refund of the \$35 fee as soon as the 100th stuffed envelope is received. Consumers are instructed to submit their payment of \$35 fee only by money order or cashier's check.

7. However, consumers who pay Defendant's "one-time set-up fee" do not receive the envelope stuffing materials they are promised. Many consumers receive nothing at all. Some consumers do eventually receive a one-page flyer in the mail. Instead of receiving circulars and pre-addressed, pre-stamped envelopes to stuff them into, the flyer instructs consumers to place an advertisement in a newspaper or magazine exactly as follows:

EARN THOUSANDS WORKING AT HOME! RUSH \$1.00 AND SELF

ADDRESSED, STAMPED ENVELOPE TO: (YOUR NAME, YOUR

ADDRESS).

The flyer further explains that "interested people whom (sic) respond to your ad will send you a S.A.S.E. (Thus, you will be supplied with the already stamped and addressed envelope) and the \$1.00 service fee. **YOU KEEP THE \$1.00 SERVICE FEE.**" The flyer then tells consumers that when they receive the pre-stamped, self-addressed envelopes from interested individuals, they should forward the envelopes to Defendant, who will in turn pay the consumer a dollar for each envelope received.

8. When these consumers attempt to contact Defendant to complain about his failure to deliver the promised materials, or the one-page flyer they receive in the mail from the Defendant, consumers are often unable to reach anyone because telephone numbers have been disconnected, or their letters and e-mail inquiries are left unanswered.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

10. As set forth below, Defendant, individually or in concert with others, has violated Section 5(a) of the FTC Act in connection with the advertising, offering for sale, or selling of services over the Internet.

COUNT I

11. In numerous instances, in the course of offering for sale and selling purported envelope stuffing opportunities, Defendant represents, expressly or by implication, that Defendant will provide consumers with all necessary materials, including pre-addressed, pre-stamped envelopes to stuff.
12. In truth and in fact, Defendant does not provide consumers with all necessary materials, including pre-addressed, pre-stamped envelopes to stuff.
13. Therefore, Defendant's representations, as set forth in Paragraph 18, are false and misleading and constitute deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

COUNT II

14. In numerous instances, in the course of offering for sale and in selling envelope stuffing employment opportunities, Defendant represents, expressly or by implication, that Defendant will pay consumers \$2 for each envelope that is stuffed and returned to him.
15. In truth and in fact, Defendant does not pay consumers \$2 for stuffing and returning envelopes to him.
16. Therefore, Defendant's representation, as set forth in Paragraph 23, is false and deceptive, in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

COUNT III

17. In numerous instances, in the course of offering for sale and in selling envelope stuffing employment opportunities, Defendant represents, expressly or by implication, that consumers will make a substantial amount of money after sending the required payment to Defendant.
18. In truth and in fact, in numerous instances consumers do not earn a substantial amount of money after sending the required payment to Defendant.
19. Therefore, Defendant's representation, as set forth in Paragraph 24, is false and deceptive, in violation of Section 5 of the FTC Act, 15 U.S.C. § 45.

CONSUMER INJURY

20. Defendant's violations of Section 5(a) of the FTC Act have injured, and will continue to injure consumers throughout the United States and Canada. As a result of Defendant's unfair or deceptive acts or practices, consumers have suffered substantial monetary loss. In addition, Defendant has been unjustly enriched as a result of his unlawful practices. Absent injunctive relief by this Court, Defendant is likely to continue to injure consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

21. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant permanent injunctive and other relief to prevent and remedy Defendant's violations of the FTC Act, and in the exercise of its equitable jurisdiction, to award redress to remedy the injury to consumers, to order the disgorgement of monies resulting from Defendant's

unlawful acts or practices, and to order other ancillary equitable relief such as temporary and preliminary injunctions.

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. Enter an order enjoining Defendant preliminarily and permanently from violating Section 5(a) of the FTC Act and freezing Defendant's assets;
2. Award such relief as the Court finds necessary to redress the injury to consumers caused by Defendant's violations of the FTC Act, including, but not limited to, restitution, the refund of monies paid, and the disgorgement of ill-gotten gains; and
3. 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.

Respectfully submitted,

Valerie M. Verduce
Georgia Bar No. 727066

Ronald E. Laitsch
Wisconsin Bar No. 1012687

Federal Trade Commission
225 Peachtree Street, Suite 1500
Atlanta, Georgia 30303
Telephone: (404)656-1390

Facsimile: (404) 656-1379

Local Counsel

Robert F. Daley, Jr.
South Carolina Bar No. 6460

Assistant United States Attorney
United States Department of Justice
United States Attorney's Office
District of South Carolina
141 Main Street, Suite 500
Columbia, South Carolina 29201
Voice: (803) 929-3054
Facsimile: (803) 252-2759

Dated: _____