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12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE DISTRICT OF ARIZONA

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16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 vs.

19 CAPITAL CARD SERVICES, INC., and

20 CORY M. HARRIS, individually and as
21 an officer of Capital Card Services, Inc.,

22 Defendants.
23

Civ No.

**COMPLAINT FOR
INJUNCTIVE AND
OTHER EQUITABLE
RELIEF**

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

27 1. The FTC brings this action under Sections 13(b) and 19 of the Federal
28 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing

1 and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§
2 6101 *et seq.*, to obtain permanent injunctive relief, rescission or reformation of contracts,
3 restitution, disgorgement, and other equitable relief for defendants’ deceptive acts or
4 practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s
5 Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310.

6 **JURISDICTION AND VENUE**

7 2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331,
8 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), and 6105(b).

9 3. Venue in the District of Arizona is proper under 28 U.S.C. §§ 1391(b) and
10 (c), and 15 U.S.C. §§ 53(b), and 6103(e).

11 **PLAINTIFF**

12 4. Plaintiff, FTC, is an independent agency of the United States Government
13 created by statute. 15 U.S.C. §§ 41 *et seq.* The Commission is charged, *inter alia*, with
14 enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or
15 deceptive acts or practices in or affecting commerce. The Commission is authorized to
16 initiate federal district court proceedings by its own attorneys to enjoin violations of the
17 FTC Act and the TSR to secure such equitable relief as may be appropriate in each case,
18 and to obtain consumer redress. 15 U.S.C. §§ 53(b), 57b, 6102(c), and 6105(b).

19 **DEFENDANTS**

20 5. Defendant **Capital Card Services, Inc.** (“CCS”), is an Arizona
21 corporation. CCS transacts or has transacted business in this district.

22 6. Defendant **Corey M. Harris** (“Harris”) is the president and sole director of
23 CCS. Individually, or in concert with others, he formulates, directs, participates, or
24 controls the acts and practices of CCS, including the acts and practices complained of
25 herein. Harris transacts or has transacted business in this district.

26 **COMMERCE**

27 7. At all times relevant to this complaint, defendants have maintained a
28 substantial course of trade in the offering for sale and sale, through telemarketing, of

1 credit card protection services, in or affecting commerce, as "commerce" is defined in
2 Section 4 of the FTC Act, 15 U.S.C. § 44.

3 **DEFENDANTS' BUSINESS PRACTICES**

4 8. Since at least 1999, defendants, using the name Credit Card Services, Inc.,
5 have made unsolicited telephone calls to consumers throughout the United States. In
6 some instances they have represented, either expressly or by implication, that they are
7 calling on behalf of the consumer's credit card issuer.

8 9. Defendants have told consumers that criminals are frequently stealing
9 consumers' credit card numbers via the Internet and other technology. They have told
10 consumers that persons who have stolen credit card numbers have purchased goods and
11 services with the stolen credit card numbers, often running up hundreds or even
12 thousands of dollars in credit card charges.

13 10. Defendants have represented that, if a consumer's credit card number is
14 stolen or misappropriated, the consumer can be held liable for all unauthorized charges
15 made to the consumer's credit card account. Defendants have told consumers that they
16 should purchase defendants' credit card protection service because consumers are not
17 currently protected against unauthorized use of their credit card accounts by such
18 criminals.

19 11. Defendants have represented that purchase of their credit card protection
20 service protects consumers from liability for unauthorized credit card charges. In some
21 instances, defendants have claimed that consumers' credit card companies or certain laws
22 require consumers to purchase credit card protection services.

23 12. Defendants have persuaded consumers to divulge their credit card numbers
24 by reciting one or more of the numbers of consumers' credit card accounts and then
25 directing consumers to disclose the remaining numbers of the consumers' credit card
26 accounts. Defendants have obtained consumers' credit card account numbers and,
27 without consumers' authorization, have caused charges to be posted to those accounts.

28 13. Defendants have charged consumers fees of \$329 or more for their services.

1 of contracts, and the refund of money.

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

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PRAYER FOR RELIEF

6 WHEREFORE, plaintiff requests this Court, pursuant to Sections 13(b) and 19 of
7 the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 6(b) of the Telemarketing Act, 15
8 U.S.C.

9 § 6105(b), and pursuant to its own equitable powers:

- 10 1. Award plaintiff such temporary and preliminary injunctive and ancillary
11 relief as may be necessary to avert the likelihood of consumer injury during
12 the pendency of this action and to preserve the possibility of effective final
13 relief;
- 14 2. Permanently enjoin defendants from violating the FTC Act and the TSR as
15 alleged herein;
- 16 3. Award such relief as the Court finds necessary to redress injury to
17 consumers resulting from defendants' violations of the FTC Act and the
18 TSR, including but not limited to, rescission or reformation of contracts,
19 restitution, the refund of monies paid, and the disgorgement of ill-gotten
20 monies; and

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