

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

1. The Commission brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b) to secure preliminary and permanent injunctive relief, restitution, rescission or reformation of contracts, disgorgement, and other equitable relief for Defendants’ 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 subject matter jurisdiction 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 Southern District of Florida is proper under 15 U.S.C. §§ 53(b) and 28 U.S.C. § 1391(b) and (c).

PLAINTIFF

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

DEFENDANTS

5. Defendant All Around Travel Club, Inc. (“AATC”) is a Florida corporation with its principal place of business at 3020 NW 33rd Avenue, Lauderdale Lakes, FL 33311. AATC transacts or has transacted business in the Southern District of Florida.

6. Defendant Century Financial Group, Inc. (“CFG”) is a Delaware corporation with its principal place of business at 3020 NW 33rd Avenue, Lauderdale Lakes, FL 33311. CFG transacts or has transacted business in the Southern District of Florida.

7. Defendant Michael Mansueto is an owner, director, officer, or manager of Defendant AATC. 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 Defendant AATC, including the acts and practices set forth in this complaint. In connection with the matters alleged herein, he transacts or has transacted business in the Southern District of Florida.

8. Defendant Douglas Baetz is an owner, director, officer, or manager of Defendants AATC and CFG. 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 Defendants AATC and CFG, including the acts and practices set forth in this complaint. In connection with the matters alleged herein, he transacts or has transacted business in the Southern District of Florida.

9. Defendant Glenn Gallant is an owner, director, officer, or manager of Defendant AATC and CFG. 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 Defendants AATC and CFG, including the acts and practices set forth in this complaint. In connection with the matters alleged herein, he transacts or has transacted business in the Southern District of Florida.

COMMERCE

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

DEFENDANTS’ COURSE OF CONDUCT

11. Since at least 1997, the Defendants operated a scheme to deceive consumers throughout the United States through the deceptive marketing of travel club memberships and an unsecured credit card. Defendants utilized direct mail marketing and telemarketing to sell their travel club, with its promises of free travel, travel discount cards, and an unsecured VISA credit card, under the All Around Travel Club name. CFG contracted with BestBank of Boulder, Colorado, to provide credit card marketing, servicing, and processing for a BestBank VISA credit card to be marketed by AATC in association with its travel club membership. In order to be eligible to obtain the BestBank VISA credit card, a consumer was required to join AATC and pay AATC’s membership fee of \$498.

12. In some instances, Defendants marketed the AATC membership and unsecured BestBank VISA credit card directly to consumers. In other instances, Defendants entered into contracts with outside marketers, who sold Defendants’ travel club memberships with the unsecured credit card. Defendants marketed to consumers who had either no credit or bad credit.

13. Defendants described the travel club membership benefits to consumers either in mailings or on the telephone, or both. Consumers were told that they would receive travel benefits and an unsecured credit card. While the travel club benefits described to consumers varied, some of the benefits which were promised included a cruise or a vacation of several days and nights in the Bahamas, a card for discounts of up to 50% for hotels and car rentals, and double frequent flier miles.

14. In numerous instances, the Defendants' telemarketers told consumers they could pay the AATC membership fee of \$498 for the first year (and \$19.95 annually thereafter) by charging it and the \$45 credit card annual fee to the BestBank VISA credit card. Defendants' telemarketers, in numerous instances, also told consumers that they would receive a mailing within a week containing forms to complete to receive the credit card and travel club membership package. Defendants then caused mailings to be sent to consumers describing the travel club membership benefits and stating that if the consumer sent AATC a completed authorization form and a check or money order for \$20 for the first minimum monthly payment on the BestBank VISA credit card account, the consumer would become a member of the travel club and receive the unsecured credit card. Consumers were also told that they could join AATC without opening a BestBank VISA credit card account by paying the \$498 by check or money order.

15. In numerous instances, Defendants' caused mailings to be sent to consumers who had not been previously contacted by Defendants' telemarketers describing the travel club membership benefits and asking that a check or money order for \$20 for the first minimum monthly payment on the BestBank VISA credit card account be sent to AATC with a completed authorization form if the consumer wished to become a member of the travel club and receive the unsecured credit card.

16. In numerous instances, Defendants caused BestBank VISA credit card accounts to be opened and charges for the \$498 AATC membership fee to be charged to these accounts without the consumers' authorization or in spite of the consumers' express declination of the AATC membership or BestBank VISA credit card.

17. In numerous instances, consumers have joined AATC, made the original \$20 payment, and asked that a credit card be issued. These consumers have been charged \$498 for

AATC's membership on a BestBank VISA credit card account but did not receive the travel club membership package containing the travel discount card and other travel benefits.

THE FEDERAL TRADE COMMISSION ACT

18. 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 hereby declared unlawful.”

VIOLATIONS OF SECTION 5 THE FTC ACT

COUNT I

19. In numerous instances since at least 1997, in connection with the advertising, marketing, promotion, offering for sale, or sale of travel club memberships in connection with unsecured credit cards, Defendants have represented, expressly or by implication, that consumers who became members of AATC would receive travel club membership packages.

20. In truth and fact, in numerous instances consumers who become members of AATC did not receive the travel club membership package.

21. Therefore, Defendants' representations as set forth in paragraph 19, above, are false and misleading and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

22. In numerous instances since at least 1997, in connection with the advertising, marketing, promotion, offering for sale, or sale of travel club memberships in connection with unsecured credit cards, Defendants have represented, expressly or by implication, that consumers will be billed for the travel club membership only if they authorize a charge to the BestBank VISA credit card for the AATC membership fee.

23. In truth and fact, in numerous instances consumers who did not authorize a charge to the BestBank VISA credit card for the AATC membership fee were billed for the AATC membership fee on the BestBank VISA credit card.

24. Therefore, Defendants' representations as set forth in paragraph 22, above, are false and misleading and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

25. Consumers throughout the United States have suffered, and continue to suffer, substantial monetary loss as a result of Defendants' unlawful acts and practices. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public.

THIS COURT'S POWER TO GRANT RELIEF

26. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes this Court to issue a permanent injunction against the Defendants' violations of the FTC Act and, in the exercise of its equitable jurisdiction, to order such ancillary relief as a preliminary injunction, consumer redress, rescission, restitution and disgorgement of profits resulting from the Defendants' unlawful acts or practices, and other remedial measures.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

1. Award Plaintiff such preliminary injunctive and ancillary relief as 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, including but not limited to, a preliminary injunction;

2. Permanently enjoin the Defendants from violating the FTC Act, as alleged herein;

3. Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendants' violations of the FTC Act including, but not limited to, rescission or reformation of contracts, restitution, refund of monies paid, and 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.

Respectfully Submitted,

DEBRA A. VALENTINE
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