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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

FEDERAL TRADE COMMISSION, Plaintiff, v. 9163-7710 QUEBEC, INC., also d/b/a Enterprise Who's Who and PCM Collections; and RODOLFO GARCIA RODRIGUEZ, JR., individually and as an officer of 9163-7710 Quebec, Inc., Defendants.	Case No. COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

Plaintiff, Federal Trade Commission ("FTC"), for its complaint alleges:

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 a permanent injunction, rescission of contracts, restitution, disgorgement of ill-gotten gains, and other equitable relief

against Defendants for engaging in 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 over Plaintiff's claims pursuant to 15 U.S.C. §§ 45(a), 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the District of Puerto Rico is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b), (c), and (d).

THE PARTIES

4. Plaintiff **Federal Trade Commission** is an independent agency of the United States Government created by the FTC Act, 15 U.S.C. § 41 *et seq*. The FTC enforces the FTC Act, which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC may initiate federal district court proceedings, through its attorneys, to enjoin violations of the FTC Act and to secure such other equitable relief as may be appropriate in each case. 15 U.S.C. § 53(b).

5. Defendant **9163-7710 Quebec, Inc.** is a Canadian corporation located in Quebec that also does business as Enterprise Who's Who and PCM Collections. The corporation transacts or has transacted business in the District of Puerto Rico.

6. Defendant **Rodolfo Garcia Rodriguez, Jr.** ("Rodriguez") is the chief executive officer and a shareholder of defendant 9163-7710 Quebec, Inc., a Canadian corporation located in Quebec. 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 set forth in this complaint. Rodriguez transacts or has transacted business in the District of Puerto Rico.

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.

COURSE OF CONDUCT

8. Since at least January 2006, and continuing thereafter, Defendants have engaged in a plan, program, or campaign to deceptively sell internet business directory listing services and web page hosting services ("services") by telephone to U.S. consumers.

9. Defendants induce consumers to pay for internet listings by calling under the pretense of renewing a local yellow pages listing. They then bill consumers without authorization.

10. Defendants' telemarketers identify themselves to Puerto Rico consumers as the "páginas amarillas" (yellow pages) or "telefónica" (telephone company), both common ways to refer to the local telephone company (Axesa), then tell consumers they are calling to "verify" or "update" businesses' names, addresses, and telephone numbers. Defendants' telemarketers tell consumers located in the continental United States that they are calling from the local "yellow pages" company, and also tell consumers they are calling to "verify" or "update" businesses' names, addresses, and telephone numbers.

11. Defendants typically do not mention any cost during the initial call to consumers. If asked, Defendants tell consumers the cost will be "the same as last year," although consumers have not previously purchased Defendants' services.

12. When Puerto Rico consumers ask Defendants' telemarketers whether they are affiliated with the local yellow pages service, or whether they are located in Puerto Rico, Defendants' telemarketers falsely respond that they are.

13. After verifying businesses' contact information Defendants bill them without authorization.

14. Defendants' bills typically arrive in envelopes that deceptively display a symbol frequently associated with the local phone company yellow pages service, the well-known image of two fingers walking across a yellow pages directory. The bills themselves also claim to be from "páginas amarillas/yellow pages" or "yellow pages." An initial bill typically charges $359.40.

15. Upon receiving Defendants' bills, many consumers pay, believing the Defendants represent the local telephone company.

16. In many other cases, consumers dispute these bills. When business owners speak with Defendants' telephone representatives, Defendants falsely state that someone in the businesses' offices authorized the service, that Defendants have tapes of the authorization, and/or that the consumers have entered into a valid and enforceable contract to pay.

17. Many consumers then pay the bill believing that an employee inadvertently accepted the service and that Defendants have tape recordings of the authorization.

18. In some instances, consumers convince the Defendants to play the purported authorization tapes for them. Those tapes do not reflect consumers' authorizations.

19. If consumers do not pay the bills, Defendants send them weekly bills and collection letters, make dunning telephone calls, threaten to send accounts to collection, and threaten to make negative credit reports.

20. When faced with consumers' continued refusal to pay, Defendants pursue more coercive collection actions through letters from a purported collection agency, PCM Collections. The letters threaten adverse credit reports and lawsuits for unpaid bills.

21. In many cases, consumers then pay Defendants' bills to avoid further annoyance, and to avoid harm to their credit.

22. Even if consumers eventually pay Defendants' invoices, Defendants frequently send additional invoices for services variously described as:

A. The balance owed for the original service; or

B. A renewal fee for the next year; or

C. Additional web hosting services.

23. With respect to these additional bills, Defendants again falsely state that they have taped authorizations.

24. When consumers ask to cancel these additional unauthorized services, Defendants agree to cancel. However, after agreeing to cancel services, Defendants bill undisclosed cancellation fees ranging from $299 to $500 and again pursue collection through re-billing, threatening letters, and dunning telephone calls if they are not promptly paid.

25. If consumers complain to the Better Business Bureau, Defendants finally agree to stop charging the consumers who have complained; nonetheless, they continue to bill the complaining consumers and dun them by telephone for payment.

THE FEDERAL TRADE COMMISSION ACT

26. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts or practices in or affecting commerce. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

VIOLATIONS OF SECTION 5(a) OF THE FTC ACT

COUNT ONE

27. In numerous instances, in connection with offering for sale or selling an internet business listing service and/or web page hosting service, Defendants have represented to consumers, expressly or by implication, through, *inter alia*, telephone calls, that consumers have a preexisting business relationship with Defendants.

28. In truth and in fact, many of these consumers do not have a preexisting business relationship with Defendants.

29. Therefore, the representation set forth in Paragraph 27 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT TWO

30. In numerous instances, in connection with offering for sale or selling an internet business listing service and/or web page hosting service, Defendants have

represented to consumers, expressly or by implication, through, *inter alia,* telephone calls, invoices, or collection letters, that consumers have agreed to purchase Defendants' services.

31. In truth and in fact, many of these consumers have not agreed to purchase Defendants' services.

32. Therefore, the representation set forth in Paragraph 30 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT THREE

33. In numerous instances, in connection with offering for sale or selling an internet business listing service and/or web page hosting service, Defendants have represented to consumers, expressly or by implication, through, *inter alia,* telephone calls, invoices, or collection letters, that consumers owe money for Defendants' services.

34. In truth and in fact, many of these consumers do not owe money to Defendants for Defendants' services.

35. Therefore, the representation set forth in Paragraph 33 is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

36. Consumers throughout the United States have suffered, and continue to suffer monetary losses 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 by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

37. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant a permanent injunction, rescission of contracts, restitution, the disgorgement of ill-gotten gains, and other equitable relief to prevent and remedy any violations of any provision of law enforced by the FTC.

38. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including but not limited to, rescission of contracts, restitution, and the disgorgement of ill-gotten gains, to prevent and remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the 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 this Court:

(a) 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 temporary restraining order, a preliminary injunction, and an order freezing assets;

(b) Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

(c) Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission, reformation of contracts, restitution, and disgorgement of ill-gotten monies; and

(d) 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.

Dated: October 9, 2008

Respectfully submitted,

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