

**QUARTERLY FEDERAL COURT
LITIGATION STATUS REPORT**

Office of the General Counsel
Bureau of Competition
Bureau of Consumer Protection
Regional Offices

December 31, 1998

No. 59

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SUMMARY OF CASES

	D. Ct.	Ct. App.*	S.Ct.	Total
PETITIONS FOR REVIEW		2	1	3
INJUNCTION AND CONSUMER REDRESS CASES	74	11	1	86
CIVIL PENALTY AND ENFORCEMENT CASES	17			17
SUBPOENA AND CID ENFORCEMENTS	2			2
SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION	3	1		4
AMICUS CURIAE BRIEFS		2	2	4
TOTALS	96	16	4	116

* Includes all cases in which appellate proceedings have taken place during the reporting period or are pending; these cases are not counted in the District Court column, even if such proceedings are going on simultaneously.

PETITIONS FOR REVIEW

A) Orders to Cease and Desist

CALIFORNIA DENTAL ASS'N v. FTC, No. 97-1625 (S. Ct.); No. 96-70409 (9th Cir.)

Parties: California Dental Association
Amici supporting CDA:
American Dental Association
National Society of Professional Engineers
American Society of Association Executives
American Medical Association
American Psychiatric Association
National Association of Social Workers
National Association of Realtors
National Collegiate Athletic Association
American College for Advancement in Medicine
Amici supporting FTC:
States of Arizona, Arkansas, California, Connecticut, Delaware,
Florida, Idaho, Illinois, Iowa, Maryland, Michigan, Minne-
sota, Mississippi, Nevada, New Hampshire, North Carolina,
Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island,
Tennessee, Utah, Vermont, Washington, West Virginia, and
Wisconsin; and the Commonwealth of Puerto Rico
Consumer Dental Choice Project of the National Institute for
Science, Law and Public Policy, Inc.

Assigned Attorneys: John F. Daly (OGC)
Joanne L. Levine
Elizabeth R. Hilder (BC)
Paul Wolfson (DOJ/OSG)
Lawrence Wallace (DOJ/OSG)

BRAKE GUARD PRODUCTS, INC. v. FTC, No. 98-70635 (9th Cir.)

Parties: Brake Guard Products, Inc.
Ed F. Jones

Assigned Attorney: Jon Miller Steiger (OGC)

Nature of action: Petition to review Commission's order to cease and desist from making false claims regarding add-on braking systems.

Status: Petition for review filed 5/11/98; appeal docketed 6/11/98.
Petitioner's brief filed 8/31/98; FTC brief filed 10/20/98.

TOYS "R" US v. FTC, No. 98-4107 (7th Cir.)

Parties: Toys "R" Us, Inc.

Assigned Attorneys: Leslie R. Melman (OGC)
John F. Daly
Richard B. Dagen (BC)

Nature of Action: Petition for review of Commission's final order to cease and desist from taking various actions in restraint of trade with respect to toy discounters.

Status: Petition for review filed 12/7/98.
Emergency motion for stay pending appeal filed 12/7/98.
FTC opposition to stay motion filed 12/14/98.
Order denying stay, entered 12/31/98.

B) Rulemakings

(None pending)

INJUNCTION AND CONSUMER REDRESS CASES

(A) Preliminary Injunctions (Mergers/Acquisitions)

FTC v. TENET HEALTHCARE CORP., No. 98-3123 (8th Cir.);
No. 1:98 CV 00040 CDP (E.D. Mo.)

Parties: Tenet Healthcare Corp.
 Poplar Bluff Physicians Group, Inc., d/b/a Doctors Regional
 Medical Center

Assigned Attorneys: David R. Pender (BC)
 Garry R. Gibbs
 Elizabeth R. Hilder
 John F. Daly (OGC)
 Leslie R. Melman
 Jon Miller Steiger

Alleged Conduct: Violation of Section 7 of the Clayton Act.

Status: Complaint filed 4/17/98.
 Preliminary injunction hearing begun 6/22/98; completed 6/26/98.
 Preliminary injunction granted, 7/30/98.
 Notice of appeal filed 8/10/98; appellants' brief filed 9/15/98.
 FTC brief filed 10/13/98.
 Argued 12/14/98.

(B) Preliminary Injunctions (Other)

(None pending)

FTC v. AFRIAT, No. 98-0282 LBG (C.D. Cal.)

Parties: Asher Afriat, d/b/a American Labor Services or ALS
Abraham Avi Afriat
Oren Afriat, a/k/a Yizhak Afriat
Rachel Ederly

Assigned Attorneys: Scott R. Bialecki (DERO)
Monica E. Tait (LARO)

Alleged Conduct: Deceptive practices in sale of employment program to persons seeking employment with the U.S. Postal Service.

Status: Complaint filed under seal 1/14/98.
TRO granted and limited receiver appointed 1/15/98.
Seal lifted 1/21/98.
Stipulated preliminary injunction entered 2/4/98.
Stipulated final judgment filed 10/21/98; entered 10/24/98.

FTC v. AMERICAN INVENTORS CORP., No. 95-30219-MAP (D. Mass.);
Nos. 97-30004, 97-30005 (D. Mass.)

Parties: American Inventors Corp.
American Institute for Research and Development, Inc.
Ronald Boulerice
John L. Samson
John Hoime

Assigned Attorneys: David C. Fix (BCP/SIP)
Peter W. Lamberton
Michelle Chua

Alleged Conduct: Deceptive practices in sale of idea promotion services.

Status: Complaint filed 10/24/95.
Ex parte TRO and asset freeze entered 10/25/95.
Preliminary injunction entered 11/16/95.
Order directing reimbursement of consumers for losses incurred due to violations of preliminary injunction, 10/24/96.
Trial stayed pending criminal proceeding.
Order dismissing, sua sponte, related bankruptcy proceedings (which would have impeded distribution), 3/31/98 (219 Bankr. 639).

FTC v. AMERICAN UROLOGICAL CORPORATION, No. 1:98-CV-2199 (JOF) (N.D. Ga.)

Parties: American Urological Corporation
The Institute of Sexual Research, Inc., d/b/a American Urological Clinic,
Carnegie Research Institute, and New England Institute for
Impotence and Prostate Care
The Institute of Sexual Research (ISR), Ltd.
The Clinic for Natural Solutions, Inc., d/b/a United States Academy of
Urological Sciences and National Institute for Urological Health
Old Well Corporation (Texas)
Old Well Corporation (North Carolina)
David A. Brady

Assigned Attorney: David R. Spiegel (BCP/SIP)

Alleged Conduct: Misrepresenting that products, including “Väegra,” provide effective
treatments for impotence and that they are sold by *bona fide* medical
enterprises.

Status: Complaint filed under seal 8/3/98; TRO entered 8/3/98.
Seal lifted 8/6/98.
Stipulated preliminary injunction entered and receiver appointed, 9/25/98.

FTC v. ARLINGTON PRESS, INC., No. 98-9260 MMM (CWx) (C.D. Cal.)

Parties Arlington Press, Inc.
David T. Umholtz
Wendy J. Foster

Assigned Attorneys: Todd M. Kossow (CHRO)
Theresa M. McGrew

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal
Trade Commission Act and violating the Telemarketing Sales Rule in the
sale of auction information packages and foreclosed homes guides.

Status: Complaint filed 11/18/98.
TRO entered 11/18/98.
Preliminary injunction hearing set for 1/11/99.

FTC v. AUTOMATED SYSTEMS & CONCEPTS INT'L, INC., No. Civ. 98-6364 SVW(Anx)
(C.D. Cal.)

Parties: Automated Systems & Concepts Int'l, Inc.
Creative Mktg. Concepts, Inc.
Premier Entertainment, Inc.
John R. Munoz David Munoz
Timothy Munoz Frank Gale

Assigned Attorneys: Darren A. Bowie (BCP/SIP)
Julie Abbate

Alleged Conduct: False and deceptive statements, and violations of the Telemarketing Sales Rule, in soliciting investments in partnerships formed to produce infomercials for various products

Status: Complaint filed 8/7/98.
Preliminary injunction entered 9/9/98.
Trial to commence 4/13/99.

FTC v. BALLARD, No. 1:98-CV-1401 (N.D. Ga.)

Parties: Brent Ballard, d/b/a SOC Enterprises

Assigned Attorneys: Ronald E. Laitsch (ARO)
Dean S. Daskal

Alleged Conduct: Deceptive telemarketing of credit cards, in violation of Section 5 and the Telemarketing Rule, by hired telemarketer.

Status: Complaint filed 5/18/98.

FTC v. CANO, No. 97-7947 IH (AJWx) (C.D. Cal.)

Parties: Nia Cano, a/k/a Nghia F. Cano, Nina DeCano, Nia S. Cano, d/b/a Credit
Development International and Drivers Seat Network
Charles Johnson Bryan McCord
Jaime Martinez David Lewis
Jelena Tkalec Leaders Alliance, Inc.
Robert Larson

Assigned Attorneys: Betsy Broder (BCP/MP)
John D. Jacobs (LARO)

Alleged Conduct: Deceptive practices in offering unsecured credit cards via pyramid scheme.

Status: Complaint filed 10/28/97.
Ex parte TRO and asset freeze entered 10/28/97.
Hearing on motion for preliminary injunction 11/20/97.
Motion for leave to amend to name 4 additional defendants filed 3/27/98;
granted 5/8/98.
Stipulated final judgments against defendants Cano, Leaders Alliance,
Johnson, and McCord, filed 6/23/98.
Proposed default judgment as to defendant Larson filed 9/24/98.
Stipulated final judgments against defendants Tkalec and Lewis filed
10/6/98.

FTC v. CAPITAL CITY MORTGAGE CORP., Civ. No. 98-237 (D.D.C.)

Parties: Capital City Mortgage Corp.
Thomas K. Nash

Assigned Attorneys: Sandra M. Wilmore (BCP/FP)
Alain H. Sheer
Susan C. Stocks

Alleged Conduct: Violations of Section 5, TILA, FDCPA, and ECOA by “subprime”
mortgage lender.

Status: Complaint filed 1/28/98.
Defendants’ motion for summary judgment denied 7/13/98.
Discovery cutoff 6/30/99.

FTC v. CENTURY DIRECT MARKETING, INC., Civ. No. 98-9257-AHM(RCx) (C.D. Cal.)

Parties Century Direct Marketing, Inc. Thomas Adams, III
 New Concept Communication, LLC Sven Klein
 Christian Hunter Lisa Sultan

Assigned Attorneys: Gary L. Ivens (BCP/MP)
 Mercedes Kelley

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act in the sale of auction information packages and job opportunity packages.

Status: Complaint filed 11/18/98.
 TRO entered 11/19/98.
 Preliminary injunction entered 12/11/98.

FTC v. CHAPPIE, No. 96-6671-CIV-Gonzalez (S.D. Fla.)

Parties: William B. Chappie, a/k/a William Brono Czaplewski, a/k/a William Bruno Chapple, a/k/a Chappie Czaplewski, a/k/a Bill Stack, a/k/a Ken Olson
 Joseph A. Wentz Quality Marketing Associates
 Infinity Multimedia, Inc.

Assigned Attorneys: Kelli Farrand Chan (DERO)
 Jeffery T. Dahnke

Alleged Conduct: Deceptive practices and Franchise Rule violations in the sale of CD-ROM display rack business opportunity.

Status: Complaint filed 6/24/96.
 Ex parte TRO with asset freeze and appointment of receiver, 6/25/96.
 Stipulated permanent injunction against corporate defendants and Wentz, w/redress and ban against Wentz, entered 1/15/97.
 FTC's motion for summary judgment filed 9/12/97; opposition filed 2/4/98; reply filed 2/11/98.
 Consent judgment and permanent injunction entered 11/4/98.

FTC v. CHIERICO, No. 98-5290 (11th Cir.); Civ. No. 96-1754-CIV-KMM (S.D. Fla.)

Parties: Michael Chierico Interstate Office Systems, Inc.
Teri Chierico Nationwide Office Products, Inc.
American Business Supplies, Inc.

Assigned Attorneys: David R. Spiegel (BCP/SIP)
Laura J. DeMartino
Lawrence DeMille-Wagman (OGC)

Alleged Conduct: Project CopyCat; deceptive practices in sale of office supplies.

Status: Complaint filed 6/26/96; ex parte TRO and asset freeze entered 6/28/96.
Preliminary injunction entered 7/8/96.
Stipulated final judgment w/redress (\$1 million) and bonding requirement filed 11/13/96.
Motion for an order finding defendants in civil contempt filed 6/22/98.
Ex parte emergency order granting ancillary interim relief entered 6/23/98.
Orders finding defendants in civil contempt of stipulated final judgment entered 6/30/98, 8/12/98.
Notice of appeal from 6/30 and 8/12 orders filed 8/21/98; motion for stay pending appeal denied by district court 9/23/98; stay motion filed in court of appeals 10/7/98; response filed 10/13/98; stay denied 10/16/98.

FTC v. CLARENDON HOUSE, INC., No. 98-9262 EMB (AJWx) (C.D. Cal.)

Parties Clarendon House, Inc.
First National Data Group, Inc.
Peter M. Dearden

Assigned Attorneys: Evan Siegel (CHRO)
Sara Lorber

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act and violating the Telemarketing Sales Rule in the sale of auction information packages and foreclosed property guides.

Status: Complaint filed 11/18/98.
TRO entered 11/19/98; extended by stipulation through 4/9/99.
Receiver appointed 11/23/98.

FTC v. COASTAL GAMING, INC., No. 97-4571 MMM (C.D. Cal.)

Parties:	Coastal Gaming, Inc. Shoreline Gaming, Inc. James C.Q. Slaton	South Florida Gaming, Inc. Jason Gean McDuffie Peter Aro, a/k/a Jack Mead
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Assigned Attorneys: Stephen Gurwitz (BCP/SIP)

Alleged Conduct: Project Field of Schemes; deceptive practices in sale of investments in gambling cruise ships.

Status: Complaint filed 6/23/97.
Ex parte TRO and asset freeze entered 6/25/97.
Stipulated preliminary injunctions as to defendants McDuffie, Slaton, and Aro entered 7/3/97.
Preliminary injunction entered as to defendants Coastal Gaming, Inc., South Florida Gaming, and Shoreline Gaming, Inc., 7/10/97.
Stipulated final judgments as to defendants Aro and McDuffie, filed 6/16/98; entered 7/13/98 and 7/14/98.

FTC v. COMMONWEALTH MARKETING GROUP, INC., No. 98-3330 (3d Cir.);
Civ. No. 98-918 (W.D. Pa.)

Parties: Commonwealth Marketing Group, Inc.
Great Escape Vacations & Tours, Inc.
Frederick F. Zeigler, III
Robert E. Kane
United States (third party defendant)
Jodie Bernstein (third party defendant)
Brenda Doubrava (third party defendant)
Larissa L. Bungo (third party defendant)
Michael Milgrom (third party defendant)

Assigned Attorneys: Brenda W. Doubrava (CLRO)
Larissa L. Bungo
Michael Milgrom
John F. Daly (OGC)
Jon Miller Steiger
Albert W. Schollaert (AUSA)

Alleged Conduct: Violations of Section 5 of the FTC Act and of the Commission's
Telemarketing Sales Rule, in the marketing of cruises and vacations.

Status: Complaint filed 5/26/98.
TRO entered, including asset freeze and appointment of receiver, 5/26/98.
Motion for relief from TRO denied 6/1/98; notice of appeal and
emergency motion for stay pending appeal filed 6/1/98; denied
6/3/98; appeal dismissed 8/18/98.
TRO vacated and interim consent order entered, 6/4/98.
Answer, including counterclaim and third party claims against
individual FTC personnel, filed 11/16/98; amended 11/20/98.

FTC v. COMMUNICATION CONCEPTS & INVESTMENTS, INC., No. 98-7450 (S.D. Fla.)

Parties Communication Concepts & Investments Inc. Lawrence Levinson
 Crown Communications Two, Inc. Jordan Levinson
 Global Collections, Inc. Bruce Levinson

Assigned Attorneys: David M. Newman (SFRO)
 Randall Conner
 Jerome M. Steiner
 Elizabeth M. Grant (BCP/MP)
 Adam G. Cohn

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act and violating the 900-Number Rule in sale of “local singles” matching audiotext services.

Status: Complaint filed 12/22/98.

FTC v. COMTEL COMMUNICATIONS GLOBAL NETWORK, INC., No. 96-3134-CIV-Atkins (S.D. Fla.)

Parties: Comtel Communications Global Network, Inc.
 International Toy Distributors, Inc.
 Marc Zimmerman Philip Berger
 Victoria Zimmerman David Silbergleit
 Eric Zimmerman Michael Greenberg

Assigned Attorneys: Betsy Broder (BCP/MP)
 Laurie Meehan

Alleged Conduct: Operation Missed Fortune; deceptive practices and Franchise Rule violations in sale of pay telephone business opportunities.

Status: Complaint filed 11/4/96.
 Ex parte TRO with asset freeze granted 11/5/96.
 Stipulated preliminary injunctions entered 1/7, 1/10/97.
 Amended complaint filed; TRO against 3 additional defendants entered 3/14/97.
 Motion for civil contempt filed 8/97; contempt order entered as to 3 defendants 12/19/97.

FTC v. DAVISON & ASSOCS., INC., No. 97-1278 (W.D. Pa.)

Parties: Davison & Associates, Inc.
George M. Davison III
Thomas Dowler
Gordon M. Davison
Barbara Miele
Manufacturer's Support Services, Inc.
Barbara Davison

Assigned Attorneys: Steven W. Balster (CLRO)
Brenda W. Doubrava
Michael Milgrom
Albert W. Schollaert (AUSA)

Alleged Conduct: Operation Mousetrap. Deceptive practices in sale of invention-promotion services.

Status: Complaint filed 7/15/97.
Court entered TRO, asset freeze, and appointed receiver 7/15/97; extended by agreement.
Amended complaint adding defendants filed 3/23/98.
Discovery cutoff 1/25/99; tentative trial date 9/99.

FTC v. DAYTON FAMILY PRODUCTIONS, INC., No. CV-S-07-00750-PMP (LRL)
(D. Nev.)

Parties: Dayton Family Productions, Inc.
High Voltage Pictures, Inc., a/k/a High Voltage Entertainment
John Rubbico, d/b/a J J Family Film Productions
J.J. Dayton Associates, Inc.
American Family Productions, Inc. Glen Burke
American Family Consultants, Inc. Ignacio Jimenez
Reunion Management, Inc. Kevin Roy
Icon Management Services, Inc. Fred Davidson
Aztec Escrow, Inc. Raymond Filosi
Richard S. Hart John Iavarone

Assigned Attorneys: Jerome M. Steiner (SFRO)
Blaine T. Welsh (AUSA)

Alleged Conduct: Operation Field of Schemes; deceptive practices and violations of
Telemarketing Rule in sale of investments in movie rights.

Status: Complaint filed 6/20/97.
Ex parte TRO and asset freeze entered 6/20/97.
Amended complaint adding parties filed 7/2/97.
Stipulated or litigated preliminary injunctions against all defendants
entered 7/97.
Commission motion for summary judgment filed 2/12/98, denied 6/18/98.
Default entered as to 8 defendants, 9/29/98.
Stipulated final judgment entered as to 8 defendants, 10/1/98.

FTC v. DIGITAL INTERACTIVE ASSOCS., INC., No. 95-Z-754 (D. Colo.);
No. 97-1269 (10th Cir.)

Parties: Digital Interactive Associates, Inc. Terry K. Vickery
Market Logistics Group, Inc. Douglas E. Mallach
David J. Dambro Carlo Anneke
Michael Dambro Vikki A. Lucas

Assigned Attorneys: David P. Frankel (BCP/SIP)
Scott M. Bialecki (DERO)
Lawrence DeMille-Wagman (OGC)

Alleged Conduct: Deceptive practices in sale of partnerships to invest in interactive video and data service licenses and bidding opportunities.

Status: Complaint filed 4/4/95.
TRO and asset freeze entered 4/7/95.
Preliminary injunction entered 5/17/95.
Amended complaint filed 3/18/97.
Order holding defendants in contempt of preliminary injunction entered 6/26/97; notice of appeal filed 7/23/97; appeal dismissed 5/5/98.
Trial scheduled 7/12/99.

FTC v. EIGHT POINT COMMUNICATIONS, INC., No. 98-74855 (E.D. Mich.)

Parties Eight Point Communications, Inc.
John E. Spangler, Jr.

Assigned Attorneys: Mona S. Spivack (BCP/MP)
James A. Kohm

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act in soliciting charitable donations.

Status: Complaint and motion for preliminary injunction filed 11/10/98.
Answer filed 11/20/98.
Opposition to motion for preliminary injunction filed 12/1/98; reply 12/29/98.
Hearing on motion for preliminary injunction set for 1/25/99.

FTC v. EPSTEIN, CIV 98-0054 PHX EHC (D. Ariz.)

Parties: Edward E. Epstein
Electronic Filing Academy, Inc.
Electronic Filing Associates, Ltd., d/b/a EFA, Ltd. of Nevada

Assigned Attorneys: Michelle Killmer (DERO)
Kelli Farrand Chan
Suzanne Chynoweth (AUSA)

Alleged Conduct: Deceptive practices in sale of medical billing business ventures.

Status: Complaint filed 1/12/98.
TRO granted with asset freeze 1/12/98.
Stipulated preliminary injunction with asset freeze entered 1/19/98.
Stipulated final judgment and permanent injunction, entered 12/16/98.

FTC v. FIGHTING BACK INC., No. 98CIC 1461 (S.D.N.Y.)

Parties: Fighting Back, Inc., a/k/a Fighting Back Consultants, Inc.; Fighting
Back Co.; Fighting Back Credit Company
William Licata

Assigned Attorneys: Michael J. Bloom (NYRO)
Rhonda J. McLean
Ann F. Weintraub

Alleged Conduct: Deceptive practices in sale of credit repair services.

Status: Complaint filed 2/27/98.
TRO granted with asset freeze and receiver appointed 2/27/98.
Stipulated preliminary injunction entered 4/7/98.
Stipulated final judgment and permanent injunction entered 11/30/98.

FTC v. FRANKLIN CREDIT SERVICES, INC., Civ. No. 98-7375-CIV-GOLD (S.D. Fla.)

Parties: Franklin Credit Services, Inc.
Amansco Credit Services, Inc.
James Michael Christensen

Assigned Attorneys: Chris M. Couillou (ARO)
Cindy A. Liebes

Alleged conduct: Deceptive practices in marketing a bill-paying service as a debt consolidation loan.

Status: Complaint filed 12/7/98.
TRO and asset freeze entered 12/7/98.
Stipulated preliminary injunction, including asset freeze and appointment of receiver, as to all defendants entered 12/16/98.

FTC v. FREECOM COMMUNICATIONS CORP., No. 2-96CV 04925 (D. Utah)

Parties: Freecom Communications Corp.
American Home Business Association, Inc.
Financial Freedom Report, Inc. Dana P. Gull
Silent Salesforce, Inc. Eleva, Inc.
FFR Marketing, Inc. Mark O. Haroldsen
Robert V. Brazell Don S. Gull
Kelly Haroldsen Annette S. Brazell

Assigned Attorneys: David Newman (SFRO)
Jonathan L. Kessler (DERO)
Michelle F. Killmer

Alleged Conduct: Deceptive practices in sale of home-based business ventures.

Status: Complaint filed 6/4/96; stipulated TRO entered 6/14/96.
Motion to dismiss denied 4/21/98.
Consent decree and permanent injunction as to Brazell defendants, entered 12/28/98.

FTC v. FUTURENET, INC., Civ. No. 98-1113 GHK (C.D. Cal.)

Parties: Futurenet, Inc. Chris Lobato
 Futurenet Online, Inc. David Soto
 Alan J. Setlin Larry Huff
 Robert Depew

Assigned Attorneys: Lawrence Hodapp (BCP/MP)
 Tara M. Flynn
 John Jacobs (LARO)

Alleged Conduct: Deceptive practices in selling a purportedly profitable business venture that constitutes a “pyramid scheme.”

Status: Complaint filed 2/17/98.
 TRO and asset freeze entered and receiver appointed 2/23/98.
 TRO modified and extended and receiver replaced with court ordered monitor 3/6/98.
 Stipulated final judgment as to defendants Setlin, Lobato, and corporate defendants, entered 4/20/98.
 Stipulated preliminary injunction as to remaining defendants entered 5/22/98.
 Stipulated final judgment as to defendant Depew entered 12/18/98.
 Stipulated final judgment as to defendant Soto entered 12/22/98.
 Minute order, requiring submission of further information regarding proposed redress plan, 12/29/98.

FTC v. GILL, Civ. No. 98-1436 IH (MCX) (C.D. Cal.)

Parties: Keith H. Gill, d/b/a Law Offices of Keith Gill
 Richard Murkey

Assigned Attorneys: Jennifer Larabee (LARO)
 John D. Jacobs
 Raymond E. McKown

Alleged Conduct: Deceptive practices in sale of credit repair services.

Status: Complaint filed 3/2/98.
 Stipulated preliminary injunction filed 4/21/98.

FTC v. GULFSTAR CORP., No. 3-97-CV1508-G (N.D. Tex.)

Parties: Gulfstar Corp.
Nova Gaz Corp.
Nova Financial Corp.
Daniel W. Fisher
J. Todd Tidmore

Assigned Attorney: Gary D. Kennedy (DARO)

Alleged Conduct: Project Field of Schemes; deceptive practices in sale of oil drilling investments.

Status: Complaint filed 6/23/97.
Default injunction w/ redress (\$2,050,000) as to Nova Financial entered 11/3/97.
Stipulated final judgments (including bond requirements as to individual defendants) filed 11/25/98; entered 11/30/98.

FTC v. HARRELL, Civ. No. 3:98-542-17 (D.S.C.)

Parties: Nathaniel Harrell, Jr., d/b/a Compass Northeast Credit Service
Valerie Harrell

Assigned Attorneys: Anthony E. DiResta (ARO)
Chris M. Couillou
John B. Grimbball (AUSA)

Alleged Conduct: Deceptive practices in the sale of credit repair services.

Status: Complaint filed 2/26/98.
TRO entered with asset freeze 2/26/98.
Stipulated preliminary injunction entered 3/5/98.
Motion for default judgment filed 5/6/98; granted 7/2/98.
Proof of claim filed in bankruptcy court, 9/28/98.
Answer and counterclaim filed 12/7/98.

FTC v. HART MARKETING ENTERPRISES LTD., INC., No. 98-222-CIV-T-23R
(M.D. Fla.)

Parties: Hart Marketing Enterprises Ltd., Inc.
Internet Space Station, Inc. Four Seasons Distributing, Inc.
Robert Lemcke, a/k/a Mark Walker
Edward Patrick Evans, a/k/a Patrick Evans, a/k/a Edward Adams
Bruce Blair James Weems
Mary Jane Lang (movant for intervention)

Assigned Attorneys: Mona S. Spivack (BCP/MP)
Richard A. Quaresima

Alleged Conduct: Deceptive practices in sale of public access Internet kiosk business opportunities.

Status: Complaint filed 2/3/98; TRO granted 2/3/98.
Stipulated preliminary injunction with asset freeze filed 3/19/98.
Application for entry of default as to corporate defendants filed 6/22/98;
entered 6/29/98.
Final judgment entered pursuant to default, 8/27/98.
Final judgment as to defendant Lemcke entered 12/17/98.
Stipulated final judgments as to defendants Weems, Blair, and Evans,
filed 1/11/99.

FTC v. HI TECH MINT SYSTEMS, INC., No. 98 Civ. 5881 (S.D.N.Y.)

Parties: Hi Tech Mint Systems, Inc.
Ron Depung, a/k/a Thomas DePung and Ron DePuond
Lawrence Lind

Assigned Attorneys: Ann F. Weintraub (NYRO)
Ronald L. Waldman
Eugene V. Lipkowitz
Rhonda J. McLean
Michael J. Bloom

Alleged Conduct: Misrepresenting the potential earnings and other material aspects of vending machine business opportunities, and violating the Franchise Rule by failing to provide the required documents.

Status: Complaint filed under seal 8/13/98.
Temporary restraining order entered 9/3/98; extended by stipulation.
Stipulated preliminary injunction entered 11/30/98.

FTC v. HOLD BILLING SERVICES, LTD., No. SA98CA062FB (W.D. Tex.)

Parties: Hold Billing Services, Ltd.
HBS, Inc.
Avery Communications, Inc.
Veterans of America Association, Ltd.
Thomas M. Lyons
Keith C. Calil
Milford H. Balaban

Assigned Attorneys: Craig P. Tregillus (BCP/MP)
Lawrence Hodapp
James Kaminski

Alleged Conduct: Unfair and deceptive billing practices in cramming bills for services upon telephone line subscribers in sweepstakes promotion.

Status: Complaint filed 7/15/98.
Stipulated preliminary injunction entered 8/24/98.

FTC v. INETINTL.COM, INC., Civ. No. 98-2140-CAS (C.D. Cal.)

Parties: Inetintl.Com, Inc., a/k/a Inet International
Craig A. Lawson, a/k/a Bob Bryan
Erik R. Arnesen
Stanley R. Goldberg, a/k/a Geoff Stevens

Assigned Attorneys: Linda M. Stock (LARO)
Russell S. Deitch

Alleged Conduct: Deceptive practices in sale of purportedly profitable business ventures.

Status: Complaint filed 3/25/98.
TRO entered 3/26/98 with asset freeze and receiver appointed.
Stipulated preliminary injunction entered 4/2/98 as to defendant Arnesen.
Preliminary injunction entered, receiver appointed, and assets frozen,
4/3/98.
Stipulated final judgment as to defendant Arnesen filed 8/24/98.
Final default judgment as to corporate defendant entered 9/14/98.
Final default judgment as to defendant Lawson entered 9/28/98.

FTC v. INFODIRECT, INC., No. CV-98-9274ABC (Ctx) (C.D. Cal.)

Parties Infodirect, Inc.
 Jason C. McComb
 Thomas R. Fletcher

Assigned Attorney: John Jacobs (LARO)

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act and violating the Telemarketing Sales Rule in the sale of auction information packages and packages relating to foreclosed homes.

Status: Complaint filed 11/18/98.
 TRO entered 11/18/98.
 Stipulated preliminary injunction as to defendants McComb and Infodirect entered 11/30/98.
 Stipulated preliminary injunction as to defendant Fletcher entered 12/14/98.

FTC v. INTELLICOM SERVICES, INC., No. 97-4572 TJH (Mcx) (C.D. Cal.)

Parties: Intellicom Services, Inc., d/b/a Intellicom Group
World Net Development Group, Inc.
Support Staff Administrators, Inc.
Paul Perelman, d/b/a Connectkom Group
Mark V. Nachamkin, a/k/a Mark Nash, d/b/a Enternet Communications
James C. Q. Slaton, d/b/a Home Net Partners
Connectkom Services, Inc. Enternet 2000, Inc.
Riviera Consulting, Inc. Granite Consulting, Inc.
Brookside Management, Inc. Mediatech, Inc.
American Long Distance Corp. Networkworld Consulting, Inc.
Perspective Consulting, Inc. All Administrative Services, Inc.
Prostaff Administrators, Inc. Frontline Consulting, Inc.
Marc D. Levine Ira Itskowitz
Mark Ericson Timothy D. Grayson
David Z. Diamand Eugene Evangelist
Kent Bollenbach Brent Morris
Erica Llanos Dixon Capital Corp.
Greg Harrington Chad Harrington
T.L. Laidlaw James M. Leonard

Assigned Attorneys: Monica E. Tait (LARO)
Jennifer Larabee

Alleged Conduct: Project Field of Schemes; deceptive practices and violations of Section 5 and the Telemarketing Rule in sale of high-tech investment schemes.

Status: Complaint filed 6/23/97.
Ex parte TRO and asset freeze entered 6/23/97.
Preliminary injunction against 11 individuals entered 7/14/97; against defendant Diamand entered 7/21/97.
Stipulated final judgments as to 7 individual defendants entered 12/22/98.
Stipulated final judgments as to 4 additional defendants filed 12/30/98.
Motion for summary judgment as to defendant Bollenbach filed 12/31/98.
Defaults as to 4 additional defendants entered 12/98.

FTC v. INTERACTIVE AUDIOTEXT SERVICES, INC., No. 98-3049-CBM (C.D. Cal.)

Parties: Interactive Audiotext Services, Inc.
American Billing & Collection, Inc., also d/b/a ABC Services
U.S. Interstate Distributing, Inc. Frank Montelione
Russel Leventhal Stuart Leventhal
John O. Cooper Allstate Communications, Inc.

Assigned Attorneys: Stephen L. Cohen (BCP/MP)
Michael Donohue
Monica Tait (LARO)

Alleged Conduct: Violations of Section 5 and of the 900-Number Rule, in connection with the sale of audiotext services.

Status: Complaint filed 4/22/98.
Amended complaint, adding defendant, filed 5/28/98.
Stipulated preliminary injunction filed 6/11/98; entered 6/17/98.
Stipulated final judgment and permanent injunction, filed 12/8/98; entered 12/16/98.

FTC v. INTERNATIONAL PRODUCT DESIGN, INC., No. 96-1114-A (E.D. Va.)

Parties: International Product Design, Inc. American Invention Associates, Inc.
The Innovation Center, Inc. National Idea Center
Invention Consultants, USA, Inc. New Products of America, Inc.
International Licensing Corp., Inc. Robert N. Waxman
Peter Doran Darrell Mormando
Julian Gumpel Greg Wilson
Azure Communications, Inc., d/b/a London Communications, Inc.

Assigned Attorneys: David C. Fix (BCP/SIP)
Michelle Chua

Alleged Conduct: Project Mousetrap; deceptive practices and violations of Telemarketing Rule in sale of invention promotion services.

Status: Complaint filed 7/14/97.
Ex parte TRO and asset freeze entered 7/14/97; dissolved 7/23/97 pending settlement.
Stipulated final judgments (including \$250,000 redress fund and, as to two defendants, ban on selling invention promotion services), filed 11/13/98; entered 11/17/98.

FTC V. INTERNATIONAL TELEMEDIA ASSOCS., INC., 1-98-CV-1935-JTC (N.D. Ga.)

Parties International Telemedia Associates, Inc.
Arjuna Diaz
Gerard Robert Engle
Online Consulting Group, Inc.
David Peterson

Assigned Attorney: Elizabeth A. Hone (BCP/MP)

Alleged Conduct: Unfair and deceptive billing practices in cramming bills for dating service upon telephone line subscribers; violation of 900-Number Rule by using an 800 telephone number in a manner that results in the calling party being called back collect for the provision of audiotext services.

Status: Complaint filed 7/10/98.
Stipulated preliminary injunctions filed 9/9/98 and 9/22/98.
International Telemedia placed into involuntary bankruptcy and receiver appointed, 9/98.

FTC v. JORDAN ASHLEY GALLERIES, No. 93-2257-Civ-Nesbitt (S.D. Fla);
Nos. 94-4623, 94-4840, 95-4140, 95-4862, 95-5306, 98-4212, 98-4730,
98-4731 (11th Cir.)

Parties: Jordan Ashley, Inc., d/b/a Jordan Ashley Galleries, Jordan Ashley
Publishing, American Heartbeats, and American Celebrations
Gold Coast Developers, Inc.
National Vending Systems, Ltd., Inc.
Christine M. Heller Kelli J. Blasi
Thomas P. Norton Patricia Riley
Selma Norton (intervenor-movant)
Mary Caprario (intervenor-movant)

Assigned Attorneys: Richard Quaresima (BCP/MP)
Lawrence DeMille-Wagman (OGC)

Alleged Conduct: Deceptive practices in sale of greeting card display distributorships.

Status: Complaint filed 11/16/93; TRO entered with asset freeze.
Permanent injunction entered 4/11/94.
Notice of appeal filed 6/7/94 (94-4623, 94-4840); orders affirmed
10/29/96; cert. denied 10/6/97.
Notice of appeal by defendants Heller and Blasi (95-4078) from 4/5/94
order filed 1/9/95; appeal dismissed as untimely 5/26/95.
Notice of appeal (95-4140) from district court order rejecting bid for
purchase of receivership asset, filed 1/17/95 (95-4140); notice of
appeal (95-4862) from district court's order of 6/9/95 denying
motions to intervene; appeals consolidated; orders affirmed
10/29/96.
Petition for writ of mandamus (95-3506) filed 10/25/95; denied 11/2/95.
Notice of appeal from order denying intervention (No. 98-4212) filed
1/6/98; FTC memorandum addressing lack of appellate jurisdiction
filed 5/26/98.
Notice of appeal from order authorizing receiver's sale of real property
(No. 98-4730) filed 5/1/98.
Notice of appeal from order establishing procedure for assertion of claims
(No. 98-4731) filed 5/1/98; FTC memorandum addressing lack of
appellate jurisdiction filed 6/4/98.
Notice of appeal from order denying motion to require receiver to file
report, filed 6/16/98.
Court of appeals orders dismissing appeals 98-4953 & 98-4731,
and consolidating others, entered 9/23/98; appellants' brief filed
11/9/98; FTC brief filed 12/9/98.

FTC v. LICENSED PRODUCTS U.S.A., INC., No. 97-938-CIV-ORL-22A (M.D. Fla.)

Parties: Licensed Products U.S.A., Inc.
Equipment Wholesalers of America, Inc.
Sports Centers of America, Inc.
American Marketing Systems, Inc.
William Hooper Dale Sawyer
John Wheaton David Howard
Larry Howard

Assigned Attorney: Myra E. Howard (BCP/MP)

Alleged Conduct: Operation Trade Name Game; deceptive practices and violations of Franchise Rule in sale of carousel display rack business ventures.

Status: Complaint filed 7/29/97.
TRO with asset freeze and appointment of receiver entered 8/4/97.
Stipulated preliminary injunction as to defendant Sawyer, 10/3/97.
Preliminary injunction entered as to remaining defendants, 10/16/97.
Default judgment against corporate defendants entered 1/21/98.
Stipulated final judgment as to defendant Sawyer (including bond requirement) filed 10/6/98.
Stipulated final judgment as to other individual defendants (including bond requirements and consumer redress) filed 10/6/98.

FTC v. LOAN BY PHONE FINANCING, INC., No. 98-6008 CIV-ZLOCH (S.D. Fla.)

Parties: Action Credit Services, Inc.
Loan by Phone Financing, Inc., d/b/a Burlington Credit Services
Beaumont Credit Services, Inc. ABCO, Inc.
Budget Credit Services, Inc. Hunter Credit Corp.
Jodi Wolin Laurence J. Smith

Assigned Attorneys: Ronald Laitsch (ARO)
Paul Davis
Andrea Foster

Alleged Conduct: Deceptive practices in offering to obtain or arrange loans.

Status: Complaint filed 1/7/98.
TRO entered with asset freeze and receiver appointed 1/7/98.
Stipulated preliminary injunction entered 2/2/98.

FTC v. MAHER, No. CIV: WMN-98-495 (D. Md.)

Parties: Thomas Maher
Dorian Reed
Audrey Reed
Internet Business Broadcasting, Inc.

Assigned Attorneys: Nancy Pineles (BCP/MP)
Mona S. Spivack

Alleged Conduct: Deceptive practices in sale of Internet billboard business opportunities.

Status: Complaint filed 2/19/98.

FTC v. MARCOVSKY, No. 98-6421 RSWL (Mcx) (C.D. Cal.)

Parties Michael Marcovsky
Sheldon Altfeld
Cable Marketing & Management, Inc.
My Pet Television Network, Inc.
The Pet Channel

Assigned Attorneys: Dana J. Lesemann (BCP/SIP)
Connie Wagner

Alleged Conduct: Deception and unfairness in unauthorized transfer of investors' money from a children's cable television network to another cable television enterprise devoted to pets

Status: Complaint filed 8/7/98.
Preliminary injunctions entered 8/18/98 and 8/28/98.

FTC v. MII INVESTMENT CORP. No. 98 C 543 (N.D. Ill.)

Parties: MII Investment Corp., d/b/a Moore's Industries, Inc.
Gary Warren Moore

Assigned Attorneys: Craig P. Tregillus (BCP/MP)
Russell W. Damtoft (CHRO)

Alleged Conduct: Misrepresenting the potential earnings of distributorships for needless insulin injection systems and violating the Franchise Rule by failing to provide the required documents.

Status: Complaint and consent judgment (including \$50,000 redress) filed 9/1/98,
entered 9/2/98.

FTC v. MINK, Nos. 98-1580, 98-1648 (6th Cir.); No. 95-71780 (E.D. Mich.)

Parties: Debra Mink, d/b/a International Services
Monroe Bank & Trust (third party claimant)

Assigned Attorneys: Dana Leseman (BCP/SIP)
Lawrence DeMille-Wagman (OGC)

Nature of Action: Action to enforce judgment against Debra Mink from accounts in her name at the Monroe Bank.

Status: Complaint against Debra Mink filed 5/5/95.
Default judgment for \$593,206.27 entered 9/15/95.
Application for writ of execution on accounts totaling \$69,654.59 at Monroe Bank filed 5/31/96.
Show cause hearing 7/25/96.
Motion for imposition of constructive trust filed 2/21/97.
Order requiring bank to pay \$12,883.32 and the FTC's costs, and denying motion for sanctions entered 3/31/98.
Notice of appeal (No. 98-1580) filed by Monroe Bank 5/11/98.
FTC's cross appeal (No. 98-1648) filed 6/1/98.
Appellant's brief filed 9/23/98; FTC brief filed 10/23/98.
Stipulated final judgment entered by district court, 12/9/98.

FTC v. MINUTEMAN PRESS INT'L, INC., No. CV 93 2496 (E.D.N.Y.)

Parties: Minuteman Press International, Inc.
Speedy Sign-A-Rama, USA, Inc.
Roy W. Titus
Jeffrey A. Haber

Assigned Attorneys: Patricia Howard (BCP/MP)
Paul Luehr
John A. Singer
Leslie R. Melman (OGC)

Alleged Conduct: Violations of Franchise Rule and Section 5 in sale of retail printing and sign-making franchises.

Status: Complaint filed 6/4/93.
Trial completed 12/95.
Decision on Heber's motion for determination of non-liability entered 2/4/97.
Post-trial briefing completed 2/2/98.
Memorandum and order on liability, 10/2/98.
Notice of appeal filed 11/2/98; appeal dismissed by stipulation, 12/3/98.
Permanent injunction entered 12/18/98.

FTC v. MTK MARKETING, INC., No. 98-713 (S. Ct.); No. 97-55280 (9th Cir.);
Civ. No. 96-230 LHM (EEEx) (C.D. Cal.)

Parties: MTK Marketing, Inc., d/b/a District Supply Center and Central
Supply Center
Paragon Shipping, Inc., d/b/a National Supply Center
James Rem, d/b/a Central Supply Center and JR Associates
Nationwide Transport, Inc. Copy Resource Center, Inc.
Intel Marketing of California, Inc. Telco Marketing, Inc.
Acacia Properties, Inc. Dennis Connelly
Sam June Erick Graziano, a/k/a Eric Knight
Donald Ryan Donna Green
Colleen McCullough Jeanine Dora

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Alleged Conduct: Deceptive practices in telephonic sale of photocopier toner.

Status: Complaint filed 3/7/96.
Ex parte TRO and asset freeze entered 3/7/96.
Stipulated preliminary injunction 4/2/96.
Stipulated judgment including redress (\$856,000) with 9 defendants
filed 8/1/96.
Default judgment against remaining defendants entered 9/96.
FTC's notice of appeal (from order declining to afford FTC relief
under state bond statute) filed 2/4/97; appeal argued 6/1/98
Court of appeals judgment reversing, 7/20/98.
Petition for certiorari filed 10/19/98; opposition filed 12/28/98.

FTC v. MYLAN LABORATORIES, INC., No. 1:98CV031114 (D.D.C.)

Parties Mylan Laboratories, Inc. Gyma Laboratories of America, Inc.
 Cambrex Corp. SST Corporation
 Profarmaco S.R.L.

Assigned Attorneys: Randall Marks (BC)
 Matthew Meisner
 Susan Pettee
 Bradley Albert
 Michael Kades
 Melvin H. Orlans (OGC)
 Michael S. Fried

Alleged conduct: Conspiring to monopolize market for the generic drugs Lorazepam and
 Clorazepate, entering agreements in restraint of trade for the supply of
 ingredients in the manufacture of those drugs, and monopolization and
 attempted monopolization of the market for both drugs, all in violation of
 Section 5 of the Federal Trade Commission Act.

Status: Complaint filed 12/22/98.

FTC v. NATIONAL CREDIT MANAGEMENT GROUP, LLC, No. 98-6043 (3d Cir.);
Civ. No. 98-936 (D.N.J.)

Parties: State of New Jersey (co-plaintiff)
 National Credit Management Group, LLC, d/b/a Yes-Credit
 Glen Buzzetti
 Joseph Ferguson

Assigned Attorneys: Catherine R. Fuller (CHRO)
 John C. Hallerud
 Lawrence DeMille-Wagman (OGC)

Alleged Conduct: Deceptive practices in sale of credit repair services.

Status: Complaint filed 3/3/98; TRO denied 3/3/98.
 Preliminary injunction entered with asset freeze and receiver appointed
 3/20/98.
 Notice of appeal filed 4/13/98; brief for appellant filed 10/23/98.
 Stipulated final judgment filed 10/22/98.

FTC v. NATIONAL GRANT FOUNDATION, No. 97-8836 (S.D. Fla.)

Parties: National Grant Foundation, Inc. Grant Research & Publishing, Inc.,
Wallace Millman Anthony Consalvo
Dennis J. Colonna Anthony Lucca
Harriet Kaye Beverly Jansen
Carol Clough

Assigned Attorneys: Dana Lesemann (BCP/SIP)
James Reilly Dolan
Julie Abbate

Alleged Conduct: Project \$cholar\$cam (II); deceptive practices in offering scholarship opportunities.

Status: Complaint filed 11/3/97; ex parte TRO and asset freeze entered.
Preliminary injunction entered 11/10/97.
Notice of dismissal as to defendant Lucca filed 12/2/97.
Entry of default against defendants National Grant Foundation,
Grant Research & Publishing, Millman, and Colonna, 2/5/98.
Stipulated final judgment against defendants Kaye, Jansen, and Clough
entered 3/16/98.
Stipulated final judgment against defendant Consalvo entered 5/1/98.
Default judgment against corporate defendants, Millman, and Colonna,
entered 9/29/98.

FTC v. NATIONAL JOB CENTER, INC., Civ. No. 98-6040 (S.D. Fla.)

Parties: National Job Center, Inc.
Robert W. Gawne, Jr.
Richard M. Rebolal

Assigned Attorneys: Cindy Liebes (ARO)
Ingrid Whittaker-Ware

Alleged Conduct: Deceptive practices in sale of employment program to persons seeking positions with the U.S. Postal Service.

Status: Complaint filed under seal 1/20/98.
TRO entered with asset freeze 1/20/98; seal lifted 1/21/98.
Stipulated preliminary injunction entered 1/26/98.

FTC v. NATIONAL SCHOLARSHIP FOUNDATION, No. 97-8836 (S.D. Fla.)

Parties: National Scholarship Foundation, Inc.
D.B.F. National Business Reporting Bureau, Inc., a/k/a National Business
Reporting Bureau, D. & B. National Business Reporting Bureau
Eleanor Morse Calvin Morse
Dorothy Beam Sandra K. Brown
James P. McKenna Timothy Quinn

Assigned Attorney: Gregory A. Ashe (BCP/SIP)

Alleged Conduct: Project \$cholar\$cam (II); deceptive practices in offering scholarship
opportunities.

Status: Complaint filed 11/3/97; ex parte TRO and asset freeze entered
11/3/97.
Stipulated preliminary injunction entered 12/97.
Stipulated final judgment (including permanent injunction, bond
requirement, and ban on certain activities) filed 9/14/98; entered
9/21/98.

FTC v. OMNI ADVERTISING, INC., No. 1:98-CV-0301 (N.D. Ind.)

Parties: Omni Advertising, Inc.
Christopher Erhorn, also d/b/a FRI, Inc., American Deputy Sheriff's
Ass'n, Disabled Firefighters
Stacey Stanley, also d/b/a FRI, Inc., American Deputy Sheriff's Ass'n,
Disabled Firefighters

Assigned Attorneys: Dana C. Barragate (CLRO)
Brinley H. Williams
Gerald C. Zeman
Michael Milgrom

Alleged Conduct: Misrepresenting that small businesses had authorized advertisements in
defendants' publications; that the publications would be widely distributed
in the businesses' local communities or distributed through local groups,
such as schools or fire departments; and that such local groups were
working with the defendants.

Status: Complaint filed 10/5/98.
TRO entered 10/5/98.
Stipulated preliminary injunction entered 10/16/98.

FTC v. OWEN, No. 1:98-CV-1405 (N.D. Ga.)

Parties: Bill Owen, d/b/a Source One, Inc.

Assigned Attorneys: Cindy A. Liebes (ARO)
Dean S. Daskal

Alleged Conduct: Deceptive telemarketing of credit cards, in violation of Section 5 and the Telemarketing Rule, by hired telemarketer.

Status: Complaint filed 5/18/98.
Default entered 8/28/98.

FTC v. PACIFIC RIM POOLS INTERNATIONAL, No. C97-1748R (W.D. Wash.)

Parties: Pacific Rim Pools, International ENA Enterprises, Inc.
Michael Loukas Patricia Lynn Kucey
Morley L. McElwain Michael Saguri
Darryl Dyck

Assigned Attorneys: Eleanor Durham (SERO)
Maxine Stansell

Alleged Conduct: Deceptive practices and telemarketing rule violations in sale of foreign lottery tickets.

Status: Complaint filed 11/7/97.
Ex parte TRO and asset freeze entered 11/10/97.
TRO extended indefinitely, by agreement, pending settlement discussions.
Stipulated final judgment, including ban and redress order, as to
defendants Pools, Loukas, and Kucey, filed 12/11/98.
Stipulated final judgment as to defendant Dyck filed 12/11/98.

FTC v. P.M.C.S., INC., No. 96-5426 (E.D.N.Y.)

Parties: P.M.C.S., Inc. Dennis Harmon
Philip T. Bukowski Jay Lerner
Aqua Marketing Group, Inc. Todd Deming
MBC, Inc. Jason Harmon

Assigned Attorneys: Gary Ivens (BCP/MP)
Joanna Crane

Alleged Conduct: Project Missed Fortune; deceptive practices and Franchise Rule violations
in sale of medical billing software business opportunities.

Status: Complaint filed 11/6/96.
TRO and asset freeze entered 11/6/96, extended.
Stipulated preliminary injunction filed 11/25/96.
Motion to add defendants filed 1/15/97; granted 2/5/97.
Motion for summary judgment granted in part, 9/15/98.
Pretrial conference 10/14/98.

FTC v. PRATER, Civ. No. SACV-98-191 GLT (EEX) (C.D. Cal.)

Parties: Brian Dale Prater, d/b/a Pathfinder Research Company, and
Choice Credit Systems

Assigned Attorneys: Raymond E. McKown (LARO)
Jennifer Larabee

Alleged Conduct: Deceptive practices in sale of credit repair services.

Status: Complaint filed 2/27/98.
Stipulated preliminary injunction entered 3/17/98.

FTC v. RESORT SALES GROUP, INC., No. Civ. 3:97CV382-MU (W.D.N.C.)

Parties: State of North Carolina ex rel. Michael F. Easley (co-plaintiff)
Design Travel of Altamonte Springs, Inc.
Willie L. Biles, a/k/a William L. Biles
Resort Sales Group, Inc. Cruise Link Travel, Inc.
Check America Corp. Margaret Katherine Alexander
Seth Miller, a/k/a Seth Carrigan Steven Brewer

Assigned Attorneys: Collot Guerard (BCP/MP)
Elizabeth Grant

Alleged Conduct: Operation Peach Sweep; deceptive practices and violations of
Telemarketing Rule in telemarketing vacation opportunities.

Status: Complaint filed 7/9/97.
Ex parte TRO and asset freeze filed 7/9/97.
Stipulated preliminary injunction entered 8/8/97.
Default as to 4 corporate defendants entered 8/10/98.
Trial scheduled 3/99.

FTC v. ROCKY MOUNTAIN INTERNATIONAL SILVER AND GOLD, INC.,
No. 97-WY-1296 (D. Colo.)

Parties: Rocky Mountain International Silver and Gold, Inc., a/k/a RMI, Inc.
Steve Lucas
Jansey Lynn Lucas

Assigned Attorneys: Colleen S. Lynch (BRO)
Julie Abbate (BCP/SIP)

Alleged Conduct: Project Field of Schemes; deceptive practices in sale of pyramid scheme.

Status: Complaint filed 6/23/97; ex parte TRO and asset freeze entered
6/23/97.
Stipulated preliminary injunction entered 7/97.
Settlement conference scheduled for 1/21/99.

FTC v. SABAL, No. 98 C 170 (N.D. Ill.)

Parties: Jacqueline Sabal, a/k/a Jacqueline Sable

Assigned Attorneys: Mary Elizabeth Tortorice (CHRO)
Russell W. Damtoft
Charulata B. Pagar
Theresa M. McGrew

Alleged Conduct: Deceptive acts in the sale of “hair farming” system to prevent and reverse hair loss.

Status: Complaint filed 1/12/98.
Preliminary injunction granted 7/20/98 (1998-2 Trade Cas. (CCH) ¶ 72,217).
Stipulated final judgment (including permanent ban on involvement in hair loss prevention products, in addition to other relief) entered 11/12/98.

FTC v. SAJA, No. Civ. 97-0666 PHX SMM (D. Ariz.)

Parties: Leon Saja, d/b/a Southwest Publishing
Donald L. Ritta
Stealth Publications, Inc.

Assigned Attorneys: Tracy S. Thorleifson (SERO)
Mary T. Benfield
Kathryn C. Decker
Ronald R. Gallegos (AUSA)

Alleged Conduct: Operation False Alarm; deceptive practices in badge-related for-profit fund raising.

Status: Complaint filed 3/31/97.
Stipulated preliminary injunction filed 4/24/97.
Defendants’ motion to dismiss filed 8/97; denied 10/7/97.
Application to hold defendants Saja and Stealth in contempt filed 11/14/97; stipulated order settling contempt and ordering additional injunctive relief and compliance obligations and providing for payment of \$20,000, entered 12/31/97.
Stipulated final judgments, including redress and bond requirement, entered 8/7/98 as to defendants Saja and Stealth; 9/1/98 as to defendant Ritta.

FTC v. SCHEWE, No. 1:98-CV-1403 (N.D. Ga.)

Parties: George B. Schewe, d/b/a GBS Group

Assigned Attorneys: Cindy A. Liebes (ARO)
Dean S. Daskal

Alleged Conduct: Deceptive telemarketing of credit cards, in violation of Section 5 and the Telemarketing Rule, by hired telemarketer.

Status: Complaint filed 5/18/98.
Default entered 8/28/98.

FTC v. SHELTON, CV-N-00712-ECR (RAM) (D. Nev.)

Parties: Steve Shelton
Lynne Shelton
Gary White
Leslie White
National Electronic Healthcare Corp.
Electronic Healthcare Products, Inc.

Assigned Attorney: Jeffrey T. Dahnke (DERO)

Alleged Conduct: Deceptive practices in sale of medical billing and business ventures.

Status: Complaint filed 12/17/97.
TRO entered with asset freeze 12/17/97.
Stipulated preliminary injunction filed 12/29/97.
Stipulated final judgment (including bond requirement) filed and entered 11/13/98.

FTC v. SLIMAMERICA, INC., No. 97-6072 Civ.-Ferguson (S.D. Fla.);
No. 97-4494 (11th Cir.)

Parties: SlimAmerica, Inc.
Frank J. Sarcone, a/k/a Frank Sarcona
Robert Wyman

Assigned Attorneys: David Spiegel (BCP/SIP)
Darren Bowie
Ben Aliza

Alleged Conduct: Deceptive practices in sale of weight loss pills.

Status: Complaint filed 1/27/97.
Ex parte TRO and asset freeze entered 1/29/97.
Preliminary injunction granted 2/24/97.
Notice of appeal filed 3/97; appeal dismissed 9/15/97.
Tried 12/97; post-trial briefing completed 4/98; awaiting decision.

FTC v. STILLWATER VENDING, LTD., No. 97-386-JD (D.N.H.)

Parties: Stillwater Vending, Ltd. Global Locating, Inc.
VendAmerica, Inc. Joel Salvatore
Jeffrey Salvatore

Assigned Attorneys: Gary S. Cooper (BRO)
John T. Dugan

Alleged Conduct: Operation Field of Schemes; deceptive practices and Franchise Rule violations in sale of vending machine business opportunities.

Status: Complaint filed 8/7/97; stipulated TRO entered 8/22/97.
Stipulated preliminary injunction entered 9/9/97.
Amended complaint adding defendants filed 10/97.
Clerk's default against 4 defendants entered 11/97.
Default vacated as to corporate defendants 12/97.
Trial as to corporate defendants tentatively scheduled for 2/99,
but may be subject to postponement.

FTC v. SUMMIT PHOTOGRAPHIX, INC., Civ. No. 3-98-CV-0449-T (N.D. Tex.)

Parties: Summit Photographix, Inc. Daniel P. Kondos
John Lovelace Bradley Douglas Highum
Bruce E. Campbell

Assigned Attorneys: Gary D. Kennedy (DARO)
James R. Golder

Alleged Conduct: Deceptive practices in sale of pre-paid trading card and postcard business ventures.

Status: Complaint filed 2/19/98.
Defendants' motion to dismiss filed 4/2/98.
Order, requiring Commission to plead with greater particularity, entered 7/1/98
Amended complaint filed 7/30/98.
Defendants' second motion to dismiss filed 8/7/98; FTC opposition filed 8/26/98.

FTC v. SWEET SONG CORP., No. 97-4544 LGB (JGx) (C.D. Cal.)

Parties: Sweet Song Corp., d/b/a Windsor & White Trading Co., and Pacific Wellington Associates
Tfavorite Sword Corp.
Ron Hudson, Inc.
Hari Jiwan Singh Khalsa, a/k/a Stephen Jon Oxenhandler, a/k/a Bob Thomas
Siri Ram Singh Khalsa, a/k/a William Taylor, a/k/a Phillip Anderson

Assigned Attorneys: Ra'Ouf Abdullah (BCP/SIP)
Alice Saker Hrdy
Raymond McKown (LARO)

Alleged Conduct: Project Field of Schemes; deceptive practices and violations of Telemarketing Rule in sale of gemstones as investments.

Status: Complaint filed 6/20/97; ex parte TRO and asset freeze entered 6/23/97.
Preliminary injunction entered 7/7/97.
Stipulated final judgment and final injunction as to corporate defendants and Hari Jiwan Singh Khalsa (including \$100,000 bond requirement for future telemarketing by Khalsa), filed 8/17/98; entered 8/20/98.

FTC v. T.E.M.M. MARKETING, INC., No. 1:98-CV-0300 (N.D. Ind.)

Parties: T.E.M.M. Marketing, Inc.
Ronald L. Turner
Brian A. Edwards
Michael D. Merryman

Assigned Attorneys: Brinley H. Williams (CLRO)
Dana C. Barragate
Gerald C. Zeman
Michael Milgrom

Alleged Conduct: Misrepresenting that small businesses had authorized advertisements in defendants' publications, that the publications would be widely distributed by or through local schools, and that payments for advertisements constituted donations.

Status: Complaint filed 10/5/98.
TRO entered 10/5/98.
Stipulated preliminary injunction entered 10/16/98.

FTC v. TASHMAN, No. 98-7058 Civ. (S.D. Fla.)

Parties Stephen I. Tashman Stephen M. Mishkin
Ernest F. Lockamy Michael S. Dundee
Harris M. Cohen Telecard Dispensing Corp.

Assigned Attorneys: Ronald E. Laitsch (ARO)
Katharine B. Alphin

Alleged Conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act and violating the Franchise Rule in soliciting purchasers of vending machines that dispense prepaid telephone calling cards.

Status: Complaint filed 9/29/98.
TRO entered 9/29/98; extended by stipulation.
Stipulated preliminary injunction entered 12/21/98.

FTC v. THINK ACHIEVEMENT CORP., No. 98-4265 (7th Cir.); Civ. No. 2:98 CV12 JM
(N.D. Ind.)

Parties: Think Achievement Corp. National Answering Service
 The Answering Service, Inc. The Rosewood Group
 New Age Advertising Corp. H.D. Davidson Advertising Corp.
 Career Advancement Corp. Information Delivery Systems, Inc.
 Patricia A. Harris Harry D. Brankle
 Sena J. Rager Tillwanner "Tee" Jackson
 Ferron F. Harris Steven F. Stucker
 Jill Robinson, a/k/a Jill Carpenter William H. Tankersley
 Linda S. Tankersley
 David Barnack, d/b/a Information Delivery Service

Assigned Attorney: Gregory A. Ashe (BCP/SIP)
 Joanne L. Levine (OGC)

Alleged Conduct: Deceptive practices in sale of employment program to persons seeking
 positions with the U.S. Postal Service.

Status: Complaint filed under seal 1/15/98.
 TRO, asset freeze and receiver appointed 1/15/98; seal lifted 1/21/98.
 Preliminary injunction granted as to original defendants 2/10/98.
 Complaint amended to add additional defendants and TRO issued as to
 those defendants, 2/10/98.
 Preliminary injunction as to additional defendants entered 3/31/98.
 Order granting partial stay of compliance with asset freeze, regarding
 offshore assets (based on Fifth Amendment arguments) entered
 4/9/98.
 Stipulated final judgment as to defendant Stucker filed 9/23/98; entered
 10/22/98.
 Order granting motion to amend complaint entered 10/22/98.
 Order denying motion to set aside default as to corporate defendants,
 entered 10/22/98.
 Notice of appeal from order declining to set aside default, filed 12/17/98;
 court of appeals order directing appellant to state why appeal
 should not be dismissed for lack of jurisdiction, entered 1/7/99.
 Motion for default judgment filed 12/30/98.

FTC v. TRI-STATE ADVERTISING UNLIMITED, INC., No. 1:98-CV-302 (N.D. Ind.)

Parties: Tri-State Advertising Unlimited, Inc.,
Jerome Anthony Wilkins
Daryl Allen Bender

Assigned Attorneys: Gerald C. Zeman (CLRO)
Dana C. Barragate
Brinley H. Williams
Michael Milgrom

Alleged Conduct: Misrepresenting that individuals and small businesses had authorized advertisements in defendants' publications, that the publications would be widely distributed in the advertiser's community or state, and that payments for advertisements constituted donations.

Status: Complaint filed 10/5/98.
TRO entered 10/5/98.
Stipulated preliminary injunction entered 10/16/98.

FTC v. UNITED INDUSTRIES CORP., No. MJG-98-3455 (D. Md.)

Parties: States of Florida, Georgia, Kentucky, Maryland, New Jersey, North Carolina, Texas, and Virginia (co-plaintiffs)
United Industries Corporation

Assigned Attorneys: David Fix (BCP/SIP)
Michelle Chua
Bennett Rushkoff (Md.)
Melvin H. Orlans (OGC)

Alleged Conduct: Deceptive advertising by virtue of unsubstantiated efficacy claims for termite prevention product.

Status: Complaint filed 10/15/98.
Consolidated hearing on preliminary and permanent injunction scheduled for 1/4/99; deferred pending possible settlement.

FTC v. UNITEL QYSTEMS, INC., No. 3-97CV1878-D (N.D. Tex.)

Parties: Unitel Qystems, Inc., d/b/a Universe of Toys
Robert Kenneth Frisch, Jr.
Delaney Leon Hinton
Baljeet Q. Anand, a/k/a/ Bill Singh
Harmit Q. Anand, a/k/a/ Qonny Singh

Assigned Attorneys: James E. Elliott (DARO)
Susan E. Arthur

Alleged Conduct: Operation Trade Name Game; deceptive practices and violations of Franchise Rule in sale of carousel display rack business ventures.

Status: Complaint filed 8/1/97.
Answers filed 8/21, 8/26, 9/15/97.
FTC summary judgment motion filed 8/20/98.

FTC v. VACATION TRAVEL CLUB, INC., No. 89-219-CIV-FTM-26D (M.D. Fla.)

Parties: Vacation Travel Club, Inc.
World Travel Club, Inc.
World Cruise Club, Inc.
Harry Powell, Jr.

Assigned Attorneys: Peggy Twohig (BCP/FP)
Kellin Cosgrove
Lawrence DeMille-Wagman (OGC)

Nature of action: Administration of consumer redress judgment.

Status: Complaint filed 9/25/89.
Stipulated permanent injunction with redress filed 4/13/90.
Order approving distribution of redress entered 1/24/96.
Remanded by 11th Circuit for further consideration of redress claims
3/12/97.
Order approving redress entered 10/21/98.
Notice of appeal filed 12/11/98.

FTC v. VENDORS FINANCIAL SERVICES, INC., No. 98-N-1832 (D. Colo.)

Parties: Vendors Financial Services, Inc., also d/b/a T&H Management, Inc.
Samuel John Levine
Jay Samuel Levine
Tom Davis, a/k/a Richard McLaughlin

Assigned Attorneys: Richard A. Quaresima (BCP/MP)
Kelly Farrand Chan (DERO)

Alleged Conduct: Misrepresenting the potential earnings and other material aspects of business opportunities involving combination snack and soda vending machines; using false references; and violating the Franchise Rule by failing to provide the required documents.

Status: Complaint filed 8/24/98; TRO with asset freeze granted, and temporary receiver appointed, 8/24/98.
Stipulated preliminary injunction entered 9/9/98.

FTC v. WALLACE, No. 1:98-CV-1404 (N.D. Ga.)

Parties: Arshad Wallace, d/b/a Comtel Marketing & Management Systems

Assigned Attorneys: Cindy A. Liebes (ARO)
Dean S. Daskal

Alleged Conduct: Deceptive telemarketing of credit cards, in violation of Section 5 and the Telemarketing Rule, by hired telemarketer.

Status: Complaint filed 5/18/98.
Answer filed 10/9/98.

FTC v. WATSON, Civ. No. 98-C-1218 (N.D. Ill.)

Parties: G. Andrew Watson
Midwest Management Associates, Inc.

Assigned Attorney: Evan Siegel (CHRO)

Alleged Conduct: Deceptive practices in sale of credit repair services.

Status: Complaint filed 2/26/98.
TRO granted with limited asset freeze against corporate defendant,
2/26/98.
TRO extended by agreement to 6/25/98; status hearing 6/25/98.
Stipulated permanent injunction and final order filed 9/9/98;
entered 9/17/98.

FTC v. WIN USA SERVICES LTD., No. C98-1614-Z (W.D. Wash.)

Parties State of Arizona (co-plaintiff)
State of Washington (co-plaintiff)
Win USA Services, Ltd.
International Registration Australian Lottery (IRAL) Services Inc.
International Registration Australian Lottery (IRAL) Enterprises Inc.
Michael Ghirra
Bobby Ghirra

Assigned Attorneys: Mary Benfield (SERO)
Kevin Bank
Eleanor Durham

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal
Trade Commission Act, the Telemarketing Sales Rule, and state statutes.

Status: Complaint filed 11/7/98.
TRO entered 11/13/98; extended indefinitely by stipulation, 11/30/98.

FTC v. WINDEMERE BIG WIN INTERNATIONAL, INC., No. 98-C-8066 (N.D. Ill.)

Parties	Windemere Big Win International, Inc.	Alan Silverstein
	Marathon Award Center, Inc.	Selvanayagam Pararajasingam
	Sunshine Fortuity, Inc.	Michael Levy
	Ernest Levy	George Ola

Assigned Attorney: Karen D. Dodge (CHRO)

Alleged conduct: Making false and deceptive claims in violation of Section 5 of the Federal Trade Commission Act and violating the Telemarketing Sales Rule in advertising foreign lottery tickets and chances.

Status: Complaint filed 11/16/98.
TRO granted 11/16/98.
Preliminary injunction hearing (as to corporate defendants) commences 1/12/99.

FTC v. WINDWARD MARKETING, LTD., No. 96-CV-0615-FMH (N.D. Ga.), No. 97-9335
(11th Cir.)

Parties: Windward Marketing, Ltd., d/b/a Wholesale Magazine, Premium
Magazine, Magazine Express, Magazines Unlimited, Magazines of
America, Magazines Limited, Magazine Distributors of America
Genesis Marketing & Administration, Inc.
Crestwood Enterprises, Inc. Wholesale Capital Corp.
Mega Magazines, Inc. Ronald "Ronny" Jay Pepper
Philip Edward Dill Matthew Corbitt Mizell, Jr.
Sarfaz A. Tariq Sabir Saleem

Assigned Attorneys: David M. Torok (BCP/MP)
Katharine B. Alphin (ARO)
Leslie R. Melman (OGC)

Alleged Conduct: Deceptive practices and violation of Telemarketing Sales Rule in sale of
magazine subscriptions.

Status: Complaint filed 3/12/96.
Order granting motion for preliminary injunction entered 4/3/96.
Stipulated permanent injunctions including redress (\$643,000) against
Crestwood Enterprises, Kent Holbrook, and Matthew Corbitt
Mizell entered 6/27/96.
Stipulated permanent injunction against defendants Genesis and Dill filed
10/6/96.
Stipulated permanent injunction with defendants Windward & Pepper
entered 3/5/97.
Motion for summary judgment against remaining defendants filed
12/13/96, granted 9/30/97.
Notices of appeal filed 11/26/97 and 1/9/98; appeals dismissed 10/6/98.

FTC v. WOOFER INVESTMENT CORP., No. S-97-00515-LDG (RLH) (D. Nev.)

Parties: Woofter Investment Corp., d/b/a A.T.M.S.
 William Woofter
 Patsy Barbour
 Konrad King
 Konrad King, Inc.

Assigned Attorneys: Eleanor Durham (SERO)
 Nadine Samter

Alleged Conduct: Deceptive practices and violations of Telemarketing Rule in cross-border
 sale of foreign lottery tickets.

Status: Complaint filed 4/24/97.
 Ex parte TRO with asset freeze entered 4/24/97; extended by stipulation as
 to King defendants.
 Stipulated preliminary injunction as to Woofter defendants entered 6/6/97.
 Court-ordered settlement conference with defendant Patsy Barbour,
 William Woofter, and Woofter Investment Corp., 3/18/98.
 Consent decree entered as to King defendants, 5/22/98.
 Stipulated permanent injunction as to defendants Barbour and Woofter
 Investment filed 12/15/98; entered 12/28/98.

FTC v. WORLD CLASS NETWORK, INC., No. SACV-97-162-AHS (Eex) (C.D. Cal.);
No. 97-70239 (9th Cir.); No. BC 162 705 (Supr. Ct. L.A. Cnty.); No. 2 Civil B119124
(Cal. Ct. App.)

Parties: Defendants in FTC action:
World Class Network, Inc. World Class Travel, L.L.C.
Daniel R. DiMacale Denise L. DiMacale
Robert K.C. Lee Howard K. Cooper
Jerome L. Goldberg

Other parties involved in claims to WCN funds:
Errol Abramson AGI Abramson Group Int'l, Inc.
Union Bank of California, Inc., NA

Assigned Attorneys: Ann I. Jones (LARO)
Raymond E. McKown
Lawrence DeMille-Wagman (OGC)

Alleged Conduct: Operation Trip-Up; deceptive practices in selling travel tutorial and
network marketing kits

Status: Complaint filed 2/28/97.
Ex parte TRO and asset freeze entered 2/28/97.
Preliminary injunction entered 3/11/97.
Petition for mandamus filed 3/14/97; denied 3/17/97.
Stipulated permanent injunction w/redress filed 5/5/97.
Third party claim for assets in Abramson v. WCN (BC 162 705 (Supr. Ct.
L.A. Cnty.)) filed 8/11/97; denied 11/7/97.
Abramson's motion for attorney's fees filed 11/13/97; denied 12/3/97.
FTC's notice of appeal of order denying third party claim filed 1/5/98.
Abramson's notice of appeal of order denying attorney's fees filed 2/6/98.
FTC brief filed 9/30/98.

FTC v. WORLD INTERACTIVE GAMING CORP., No. CV-98-5115 (E.D.N.Y.)

Parties: World Interactive Gaming Corp.
Jeffrey Burton
Lawrence Blocker, d/b/a James Lawrence & Assocs.
Gregory Flemming, d/b/a Mallory Enterprises, Inc.
Cynthia J. Burton, a/k/a Cynthia J. Mitchell (relief defendant)

Assigned Attorney: Carole A. Paynter (NYRO)

Alleged Conduct: False and deceptive statements in soliciting investments in the proposed creation and operation of an Internet casino

Status: Complaint filed 8/10/98.
Stipulated preliminary injunction entered 9/9/98.
Amended complaint, adding defendant, filed 9/23/98.
Further amendment, adding relief defendant, 10/22/98.
FTC motion for contempt filed; hearings held 12/16, 12/21
& 12/23/98.

CIVIL PENALTY AND ENFORCEMENT CASES*

(A) Consumer Protection

UNITED STATES v. ALPINE INDUSTRIES, INC., Civ. No. 2:97-CV-509 (E.D. Tenn.)

Parties: Alpine Industries, Inc.
William J. Converse

Assigned Attorneys: Elena I. Paoli (BCP/ENF)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action to seek civil penalties, injunctive & other relief for violations of
prior Commission consent order.

Status: Complaint filed 12/30/97.

UNITED STATES v. ALYCE DESIGNS, INC., No. 98C-4403 (N.D. Ill.)

Parties: Alyce Designs, Inc.
Alyce Hamm
Jean Paul Hamm

Assigned Attorneys: Constance M. Vecellio (BCP/ENF)
Edwin Rodriguez
Scott Lassar (AUSA)

Nature of Action: Action to seek civil penalties, injunctive & other relief for violations of
Care Labeling Rule.

Status: Complaint filed 7/20/98.
Consent decree (including \$36,000 civil penalty) entered 12/11/98.

* Includes all suits in which civil penalties are sought; consumer redress, injunctions, and ancillary equitable relief may also be sought.

UNITED STATES v. CHRISTIE, Civ. No. 2:98-0546-12 (D.S.C.)

Parties: Andrea L. Christie, d/b/a B & J Enterprises, Ltd., AAA Credit Ass'n,
AAA Credit Services, and A Credit Services

Assigned Attorneys: Russell W. Damtoft (CHRO)
Douglas Ross (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in
sale of credit repair services.

Status: Complaint filed 2/26/98.
Consent decree entered 10/7/98.

UNITED STATES v. CORNERSTONE WEALTH CORP., No. 3-98-CV0601-D (N.D. Tex.)

Parties: Cornerstone Wealth Corp., d/b/a Credit Financial and Associates,
and Credit Financial Services
John Atchley, Jr.

Assigned Attorneys: C. Steven Baker (CHRO)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in
sale of credit repair services.

Status: Complaint filed 3/4/98.
Consent decree entered 12/4/98.

UNITED STATES v. CREDIT ADVISORS, No. 98-0658 (E.D. La.)

Parties: Credit Advisors
Credit Corporation of America, Inc.
Gregory J. Ruiz

Assigned Attorneys: C. Steven Baker (CHRO)
Douglas Ross (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in
sale of credit repair services.

Status: Complaint filed 3/2/98.
Consent decree entered 11/30/98.

UNITED STATES v. EQUITY FUNDING & ASSOCS., INC., Civ. No. 98-70995 (E.D. Mich.)

Parties: Equity Funding & Associates, Inc., a/k/a Equity Funding Insurance
Agency, Inc.
John Cini

Assigned Attorneys: C. Steven Baker (CHRO)
Steven N. Gersten (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in
sale of credit repair services.

Status: Complaint filed 3/4/98.

UNITED STATES v. IOMEGA CORP., No. 1:98CV00141C (D. Utah)

Parties: Iomega Corporation

Assigned Attorneys: Jeffrey Klurfeld (SFRO)
Laura Fremont
Matthew D. Gold
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive and other relief for deceptive practices
and violations of the Mail or Telephone Order Rule, in the promotion and
sale of computer data storage products.

Status: Complaint and consent decree (including civil penalty of \$900,000)
filed 12/9/98; entered 12/15/98.

FTC v. MEGA SYSTEMS INTERNATIONAL, INC., No. 98C 8009 (N.D. Ill.)

Parties: Mega Systems International, Inc.
Jeffrey Salberg

Assigned Attorneys: Russell W. Damtoft (CHRO)
Karen D. Dodge

Nature of Action: Action for civil penalties and other relief, for violation of Commission
consent order requiring, inter alia, payment of \$500,000 for consumer
redress.

Status: Complaint filed 12/15/98.

FTC v. NATIONAL TALENT ASSOCIATES, INC., No. 96-2617 (D.N.J.)

Parties: National Talent Associates, Inc.

Jerome P. Ashfield

Assigned Attorneys: Justin Dingfelder (BCP/ENF)
Ronald D. Lewis
Andrew E. Clark (DOJ/CIV)

Nature of Action: Action for civil penalties and other relief for violation of order in D. 8960 regarding sale of talent promotion services.

Status: Complaint filed 6/4/96.
Jury verdict of liability for 25,522 violations, 1/28/98.
Order imposing \$160,000 civil penalty entered 10/5/98.

UNITED STATES v. NATIONWIDE CREDIT, INC., No. 1:98-CV-2920 (N.D. Ga.)

Parties: Nationwide Credit, Inc.

Assigned Attorneys: Katharine B. Alphin (ARO)
Lucy E. Morris (BCP/FP)

Nature of Action: Action for civil penalties, injunctive and other relief for violations of the Fair Debt Collection Practices Act.

Status: Complaint and consent decree (including \$1 million civil penalty) filed 10/6/98.

UNITED STATES v. NATIONWIDE CREDIT INFORMATION SERVICES, INC.,
Civ. No. 98-951 (JWB) (D.N.J.)

Parties: Nationwide Credit Information Services, Inc.
Neil Angelicola

Assigned Attorneys: C. Steven Baker (CHRO)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in sale of credit repair services.

Status: Complaint filed 3/4/98.
Stipulated final judgment and order for injunctive relief and civil penalties entered 12/18/98.

UNITED STATES v. OLIVER, No. 5:98 cd 00160/RH (N.D. Fla.)

Parties: Robert M. Oliver, d/b/a U.S. Consumer Protection Agency, and Consumer Protection Agency of Bay County

Assigned Attorneys: Frank M. Gorman (BCP)
James Kaminski
Michael Finney (AUSA)

Nature of Action: Action for civil penalties and other relief for violations of Section 5, and of the Franchise Rule, with respect to offers to establish local “consumer protection agencies.”

Status: Complaint and preliminary injunction motion filed 6/8/98.
Stipulated final judgment entered 11/25/98.

UNITED STATES v. PVI, INC., No. 98-6935 (S.D. Fla.)

Parties: PVI, Inc., d/b/a Photo Vend International

Assigned Attorneys: Ronald L. Waldman (NYRO)
Karen M. Valentine (DOJ/CIV)

Nature of Action: Action for civil penalties and other relief for violations of the Franchise Rule, by failing to provide the required documents to consumers interested in purchasing business opportunities involving the placement and servicing of digital photo sticker vending machines.

Status: Complaint filed 9/1/98.
Motion to dismiss or for more definite statement, filed 9/21/98.
Tentative trial date 9/99.

UNITED STATES v. QX INTERNATIONAL, INC., Civ. No. 3-98-CV-0453-D (N.D. Tex.)

Parties: QX International, Inc.
Anthony F. Francis

Assigned Attorneys: Susan E. Arthur (DARO)
Gary D. Kennedy
Jacqueline Eagle (DOJ/CIV)

Nature of Action: Action for civil penalties and other relief for deceptive practices in sale of display rack distributorships for automobile engine lubricant products.

Status: Complaint filed 2/20/98.
Default as to corporate defendant entered 5/5/98.

UNITED STATES v. REIBER, Civ. No. c-1-98-171 (S.D. Ohio)

Parties: Mark A. Reiber, d/b/a Credit Report Counselors

Assigned Attorneys: C. Steven Baker (CHRO)
Steven N. Gersten (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in sale of credit repair services.

Status: Complaint filed 3/4/98.
Consent decree entered 12/14/98.

UNITED STATES v. REMMERS, No. SACR 98-4-LHM (C.D. Cal.)

Parties: Lonny Remmers

Assigned Attorneys: Sondra Mills (BCP/SIP)

Nature of Action: Defendant is charged with criminal contempt in connection with alleged violation of 1995 consent order.

Status: Show cause order entered 1/26/98.
Plea of guilty entered 9/14/98.
Sentenced to 46-month incarceration, 11/23/98.

UNITED STATES v. SCHROLD, No. 98-6212 CIV-ZLOCH (S.D. Fla.)

Parties: Jack Schrold

Assigned Attorneys: C. Steven Baker (CHRO)
Douglas Ross (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive & other relief for deceptive practices in sale of credit repair services.

Status: Complaint filed 3/3/98.

(B) Competition

(None pending)

SUBPOENA AND CID ENFORCEMENT PROCEEDINGS*

FTC v. MT. OLYMPUS FINANCIAL, LLC, No. 2:98-cv-00783 B (D. Utah)

Parties: Mount Olympus Financial, LLC
Dan Horman
Annette Horman

Assigned Attorney: Michael Fried (OGC)

Nature of Action: Action to enforce civil investigative demands.

Status: Petition and order to show cause filed 12/2/98.
Hearing set for 1/8/99.

FTC v. NATIONAL CLAIMS SERVICE, INC., No. S-98-283 FCD DAD (E.D. Cal.)

Parties: National Claims Service, Inc.

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Action to enforce civil investigative demands.

Status: Petition to enforce filed 11/6/98.
Order to show cause entered 11/18/98.
Response by NCS filed 12/23/98.
Reply by FTC filed 1/8/99.
Hearing set for 1/29/99.

* Includes suits to enforce compliance with waiting periods prescribed by Section 7A of the Clayton Act, 15 U.S.C. § 18a.

SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION

ALPINE INDUSTRIES v. FTC, No. 2:97-CV-375 (E. D. Tenn.)

Parties: Alpine Industries

Assigned Attorneys: Elena I. Paoli (BCP/ENF)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for declaratory judgment regarding Alpine's alleged compliance with prior consent decree. (This action was brought in anticipation of the ongoing civil penalty action described above.)

Status: Complaint filed 9/5/97.
FTC motion to dismiss filed 11/10/97.
Order dismissing case for lack of jurisdiction, entered 9/28/98.
Plaintiffs' motion for reconsideration filed 10/13/98.

R.J. REYNOLDS TOBACCO CO. v. FTC, No. 97-1988 (4th Cir.)

Parties: R.J. Reynolds Co.
Robert Pitofsky, FTC Chairman (co-respondent)

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of action: "Petition for Review" of FTC initiation of Docket No. 9285.

Status: Petition filed 7/28/97.
Stayed by stipulation of parties, pending district court proceedings.
Dismissed by stipulation, 9/14/98.

R.J. REYNOLDS TOBACCO CO. v. FTC, Civ. No. 1:97CV01700 (D.D.C.)

Parties: R.J. Reynolds Tobacco Company
Robert Pitofsky (co-defendant)

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Suit alleging violations of the Government in the Sunshine Act.

Status: Complaint filed 7/28/97; served 9/11/98.
Motion to dismiss filed 11/9/98.

RONDBERG v. FTC, No. CIV 98-1890 PHX (D. Ariz.)

Parties: Terry A. Rondberg, D.C.
Robert Pitofsky, FTC Chairman (co-defendant)

Assigned Attorney: Jon Miller Steiger (OGC)
Gerald C. Kell (DOJ/CIV)

Nature of Action: Action for declaratory judgment that expressions of opinion on chiropractic or medical care are beyond the jurisdiction of the FTC, and injunction prohibiting the FTC from investigating any entity's advocacy of health care benefits.

Status: Complaint filed 10/20/98; served 11/16/98.

AMICUS CURIAE BRIEFS or PARTIAL INTERVENTIONS

CAMPOS v. TICKETMASTER, INC., No. 98-127 (S Ct.)

Assigned Attorneys: John F. Daly (OGC)
Michael Fried
Barbara McDowell (DOJ/OSG)
David Seidman (DOJ/AT)

Nature of Action: Private class action by individual ticket purchasers against provider of ticket services.

Status: Judgment of court of appeals (Eighth Circuit) entered 4/10/98.
Petition for certiorari filed 7/9/98.
Supreme Court asks for views of United States, 10/5/98.
Joint amicus submission of United States and FTC, urging denial of petition, filed 12/18/98.

NYNEX CORP. v. DISCON, INC., No. 96-1570 (S. Ct.)

Assigned Attorneys: John F. Daly (OGC)
Melvin H. Orlans
Mark Popofsky (DOJ/AT)
Barbara B. McDowell (DOJ/OSG)

Nature of Action: Private treble damage suit in which seller alleges exclusion from market and conspiracy between a rival seller and a regulated monopolist to raise prices by circumventing regulatory constraints.

Status: Judgment of court of appeals (Second Circuit) entered 8/26/96.
Petition for certiorari filed 4/3/97.
Brief of the United States and FTC as amici curiae, filed 2/19/98.
Certiorari granted 3/23/98.
Merits brief of the United States and FTC as amici curiae, filed 6/17/98.
Argued 10/5/98.
Decided 12/14/98.

***SURGICAL CARE CENTER OF HAMMOND v. HOSPITAL SERVICE DIST. NO. 1
OF TANGIPAHOA PARISH, No. 97-30887 (5th Cir.)***

Assigned Attorneys: John F. Daly (OGC)
David C. Shonka
David Seidman (DOJ/AT)

Nature of Action: Appeal from dismissal on state action grounds of private antitrust action alleging violations of Sections 1 and 2 of the Sherman Act.

Status: Court of appeals judgment, affirming district court dismissal on state action grounds, 8/27/98.
Joint amicus brief by DOJ and FTC, in support of petition for rehearing en banc, filed 9/9/98.
Court of appeals grants rehearing, 11/24/98.
Joint supplemental amicus brief of DOJ and FTC filed 12/16/98.
Set for en banc argument 1/19/99.

***WILLIS-KNIGHTON MEDICAL CENTER v. CITY OF BOSSIER CITY, No. 97-31199
(5th Cir.)***

Assigned Attorneys: David C. Shonka (OGC)
David Seidman (DOJ/AT)

Nature of Action: Appeal from dismissal on state action grounds of private antitrust action alleging violations of Sections 1 and 2 of the Sherman Act.

Status: Joint amicus brief supporting reversal filed by FTC and DOJ, filed 2/20/98.
Argued 10/5/98.