

James Davis
David O'Toole
Attorneys for Plaintiff
Federal Trade Commission
55 East Monroe, Suite 1860
Chicago, Illinois 60603
Voice: (312) 960-5634
Fax: (312) 960-5600

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

FEDERAL TRADE COMMISSION

Plaintiff,

v.

GLOBAL MARKETING GROUP, INC.; GLOBAL BUSINESS SOLUTIONS, LLC; GLOBALPAY, INC.; GLOBALPAY, LLC; GLOBALPAY BV; SYNERGY CONSULTING SERVICES, LLC; FIRST PROCESSING CORPORATION; ELITE FUNDING GROUP, INC.; ONE WORLD GROUP, LLC; ONE WORLD CORPORATION; EFT COMMERCE, LLC; CELSIUS INTERNATIONAL, LLC; CELSIUS, LLC d/b/a GLOBAL PRODUCTIONS; GEMINI TRADING GROUP, LLC; GEMINI TRADING GROUP, INC., d/b/a GEMBILL; KWIKBILL.COM, LTD.; EWALLET EXPRESS, INC.; ONE PHARM SERVICES, INC; 17407, LLLP; 555018, LLC; MARKETING SERVICES, LLC, d/b/a MED-COST; MERCHANT PROVIDER SOLUTIONS, LLC; MERCHANT PROVIDER SOLUTIONS, LTD., d/b/a MPS, LTD.; UNITRADE BUSINESS, LLC; IRA N. RUBIN; and KEVIN D. ASTL;

Defendants, and

PHOELICIA DANIELS;

Relief Defendant.

Civ. No. 08:06-cv-2272-T-30TGW

**FIRST AMENDED
COMPLAINT FOR
INJUNCTIVE AND OTHER
EQUITABLE RELIEF**

Plaintiff Federal Trade Commission (“FTC” or “Commission”) for its Complaint alleges:

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101 et seq., to obtain preliminary and permanent injunctive relief, rescission of contracts, restitution, redress, disgorgement, and other equitable relief for Defendants’ deceptive and unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the FTC’s Trade Regulation Rule entitled “Telemarketing Sales Rule” (“TSR”). 16 C.F.R. Part 310.

JURISDICTION AND VENUE

2. Subject matter jurisdiction is conferred upon this Court by 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), and 6105(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.
3. Venue in this district is proper under 15 U.S.C. § 53(b) and 28 U.S.C. §§ 1391(b) and (c).

PLAINTIFF

4. Plaintiff, the FTC, 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 enforcing 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 also enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive or abusive telemarketing practices.

5. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes the FTC to initiate federal district court proceedings, in its own name by its designated attorneys, to enjoin violations of any provision of law enforced by the FTC, and to secure such equitable relief as may be appropriate in each case, including redress, restitution and disgorgement. 15 U.S.C. §§ 53(b), 57b, 6102(c), and 6105(b).

DEFENDANTS

6. Defendant Global Marketing Group, Inc. is a Florida corporation with its principal place of business located in Tampa, Florida. Global Marketing Group was incorporated on October 2, 2001, and does or has done business as “Global Processing” and “Global Processing, Inc.” Global Marketing Group transacts or has transacted business in the Middle District of Florida and throughout the United States.
7. Defendant Global Business Solutions, LLC is a Florida limited liability corporation with its principal place of business located in Tampa, Florida. Global Business Solutions was incorporated on October 2, 2001, and does or has done business as “Global Processing” and “Global Processing, Inc.” Global Business Solutions transacts or has transacted business in the Middle District of Florida and throughout the United States.
8. Defendant Globalpay, Inc. is a Delaware corporation with its principal place of business located in Tampa, Florida. Globalpay, Inc. was incorporated on January 7, 2004, and does business or has done business as “Global Processing” and “Global

Processing, Inc.” Globalpay, Inc. transacts or has transacted business in the Middle District of Florida and throughout the United States.

9. Defendant Globalpay, LLC is a Florida corporation with its principal place of business located in Tampa, Florida. Globalpay, LLC was incorporated on January 15, 2004, and does business or has done business as “Global Processing” and “Global Processing, Inc.” Globalpay, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
10. Defendant Globalpay BV is a foreign corporation with its principal place of business located in Tampa, Florida. Globalpay BV does business or has done business as “Global Processing” and “Global Processing, Inc.” Globalpay BV transacts or has transacted business in the Middle District of Florida and throughout the United States.
11. Defendant Synergy Consulting Services, LLC is a Florida corporation with its principal place of business located in Tampa, Florida. Synergy Consulting Services, LLC was incorporated on September 8, 2005, and does business or has done business as “Global Processing” and “Global Processing, Inc.” Synergy Consulting Services, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
12. First Processing Corporation is a Florida corporation with its principal place of business located in Tampa, Florida. First Processing was incorporated on January 10, 2002. First Processing transacts or has transacted business in the Middle District of

Florida and throughout the United States.

13. Defendant Elite Funding Group, Inc. is a Wyoming corporation with its principal place of business in Tampa, Florida. Elite Funding Group, Inc. transacts or has transacted business in the Middle District of Florida and throughout the United States.
14. Defendant One World Group, LLC is a Florida corporation with its principal place of business in Tampa, Florida. One World Group, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
15. Defendant One World Corporation is a Belize corporation which transacts or has transacted business in the Middle District of Florida and throughout the United States.
16. Defendant EFT Commerce, LLC is a Florida corporation with its principal place of business in Tampa, Florida. EFT Commerce, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
17. Defendant Celsius International, LLC is a Florida corporation with its principal place of business in Tampa, Florida. Celsius International, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
18. Defendant Celsius, LLC, d/b/a Global Productions, is a Florida corporation with its principal place of business in Tampa, Florida. Celsius, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.

19. Defendant Gemini Trading Group, LLC is a Florida corporation with its principal place of business in Tampa, Florida. Gemini Trading Group, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
20. Defendant Gemini Trading Group, Inc., d/b/a Gembill, is a Florida corporation with its principal place of business in Tampa, Florida. Gemini Trading Group, Inc. transacts or has transacted business in the Middle District of Florida and throughout the United States.
21. Defendant Kwikbill.Com, Ltd. is an Israeli company which transacts or has transacted business in the Middle District of Florida and throughout the United States.
22. Defendant Ewallet Express, Inc. is a Philippines corporation which transacts or has transacted business in the Middle District of Florida and throughout the United States.
23. Defendant One Pharm Services, Inc. is a Delaware business with its principal place of business in Tampa, Florida. One Pharm Services, Inc. transacts or has transacted business in the Middle District of Florida and throughout the United States.
24. Defendant 17407, LLLP is a Florida corporation with its principal place of business in Tampa, Florida. 17407, LLLP transacts or has transacted business in the Middle District of Florida and throughout the United States.

25. Defendant 555018, LLC is a Florida corporation with its principal place of business in Tampa, Florida. 555018, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
26. Defendant Marketing Services, LLC, d/b/a Med-Cost, is a Florida corporation with its principal place of business in Tampa, Florida. Marketing Services, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
27. Defendant Merchant Provider Solutions, LLC is a Florida corporation with its principal place of business in Tampa, Florida. Merchant Provider Solutions, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
28. Defendant Merchant Provider Solutions, Ltd., d/b/a MPS, Ltd., is a United Kingdom corporation. Merchant Provider Solutions, Ltd. transacts or has transacted business in the Middle District of Florida and throughout the United States.
29. Defendant Unitrade Business, LLC is incorporated in the Caribbean island of Nevis. Unitrade Business, LLC transacts or has transacted business in the Middle District of Florida and throughout the United States.
30. Defendant Ira N. Rubin is or, at relevant times, has been an officer, director, owner, or shareholder of Defendants Global Marketing Group, Inc., Global Business Solutions, Inc., Globalpay, Inc., Globalpay, LLC, Globalpay BV, Synergy Consulting Services, LLC, First Processing Corporation, Elite Funding Group, Inc., One World

Group, LLC, One World Corporation, EFT Commerce, LLC, Celsius International, LLC, Celsius, LLC, Gemini Trading Group, LLC, Gemini Trading Group, Inc., Kwikbill.Com, Ltd., Ewallet Express, Inc., One Pharm Services, Inc., Marketing Services, LLC, 17407, LLLP, 555018, LLC, Merchant Provider Solutions, LLC, Merchant Provider Solutions, Ltd. and Unitrade Business, LLC (“Corporate Defendants”). Rubin does business as “Global Processing,” “Global Processing, Inc.,” “Gembill,” “Med-Cost,” and “MPS, Ltd.” At all relevant times, acting alone or in concert with others, Rubin has formulated, directed, controlled, or participated in the acts and practices of the Corporate Defendants, including the acts and practices set forth in this First Amended Complaint. Rubin resides in Tampa, Florida, with his wife, Relief Defendant Phoelicia Daniels. Rubin transacts or has transacted business in the Middle District of Florida and throughout the United States.

31. Defendant Kevin D. Astl is or, at relevant times, has been an officer, director, or owner of Defendants Global Marketing Group, Inc., Global Business Solutions, Inc., Globalpay, LLC, First Processing Corporation, Gemini Trading Group, Inc., Kwikbill.Com, Ltd., Merchant Provider Solutions, LLC, Merchant Provider Solutions, Ltd., Unitrade Business, LLC, and 555018, LLC. Astl does business as “Global Processing,” “Global Processing, Inc.,” “Gembill,” “Med-Cost,” and “MPS, Ltd.” At all relevant times, acting alone or in concert with others, Astl has formulated, directed, controlled, or participated in the acts and practices of the Corporate Defendants, including the acts and practices set forth in this First Amended

Complaint. Astl resides in Tampa, Florida and transacts or has transacted business in the Middle District of Florida and throughout the United States.

32. Defendants Global Marketing Group, Inc., Global Business Solutions, Inc., Globalpay, Inc., Globalpay, LLC, Globalpay BV, Synergy Consulting Services, LLC, First Processing Corporation, Elite Funding Group, Inc., One World Group, LLC, One World Corporation, EFT Commerce, LLC, Celsius International, LLC, Celsius, LLC, Gemini Trading Group, LLC, Gemini Trading Group, Inc., Kwikbill.Com, Ltd., Ewallet Express, Inc., One Pharm Services, Inc., Marketing Services, LLC, 17407, LLLP, 555018, LLC, Merchant Provider Solutions, LLC, Merchant Provider Solutions, Ltd., Unitrade Business, LLC, Ira N. Rubin, and Kevin Astl have operated as a common enterprise while engaging in the deceptive acts and practices and other violations of law alleged below. They have shared officers, employees, office locations, have commingled funds, are commonly controlled, and have engaged in a common scheme.
33. Relief Defendant Phoelicia Daniels resides in Tampa, Florida with her husband, Defendant Ira Rubin. At relevant times, Daniels was the president and sole shareholder of Defendant First Processing Corporation. Daniels has received funds and other property derived unlawfully from payments by consumers as a result of Defendants' unlawful acts and practices as alleged herein.

COMMERCE

34. At all times material 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.

DEFENDANTS’ DECEPTIVE AND UNFAIR BUSINESS PRACTICES

35. Since at least January 2003, Defendants have provided substantial support and assistance to numerous scams. In particular, Defendants have assisted at least nine advance fee telemarketing schemes. The *modus operandi* of these schemes is substantially the same: Operating from Canada, these telemarketers target U.S. consumers with poor credit and deceptively induce these consumers to authorize an electronic debit of their bank accounts for several hundred dollars in exchange for an unsecured major credit card. Defendants debit the funds from the consumers’ bank accounts through the ACH Network, deduct their processing fees from the gross proceeds, and forward the balance of the proceeds from the deceptive scheme to the telemarketers. The consumer victims either receive nothing at all or, at best, receive a “benefits package” containing relatively worthless items. No one ever receives the promised credit card.
36. Defendants provided a broad range of services to these scams including, but not limited to: (a) payment processing; (b) customer service and complaint handling; (c) order fulfillment; and (d) list brokering.

ACH Payment Processing

37. Defendants obtain money from consumers on behalf of Defendants' telemarketing clients through the Automated Clearing House Network ("ACH Network"), a nationwide electronic funds transfer system that provides for the interbank clearing of electronic payments.
38. Defendants process ACH transactions on behalf of clients that submit application materials, including facially illegal sales scripts, plainly indicating that the client intends to engage in conduct that violates the rules governing the ACH Network and/or Telemarketing Sales Rule. Defendants draft, edit, review, and approve these sales scripts.
39. Defendants process ACH transactions on behalf of clients without first obtaining adequate information about the clients and their business practices or in situations where the evidence available to them demonstrates illegal activity is contemplated or ongoing.
40. Defendants frequently receive complaints about their clients from consumers, law enforcement, and the Better Business Bureau. These complaints concern deceptive and abusive business practices engaged in by Defendants' clients, including, but not limited to, the failure to provide unsecured major credit cards to consumers who paid an advance fee of several hundred dollars.
41. Defendants' clients generate extraordinarily high return rates. These rates range from 14 to several hundred times average rates in the ACH Network. On a regular basis,

Defendants receive spreadsheets and other reports from their clients which detail ACH activity, plainly demonstrating the unusually high volume of returns.

42. Defendants perform work for clients that are engaged in outbound telemarketing, in direct violation of the rules governing the ACH Network that are intended to safeguard the integrity of the network and prevent it from being used for fraudulent purposes. These rules specifically prohibit processing ACH transactions on behalf of clients engaged in outbound telemarketing.
43. Defendants typically do not stop processing ACH transactions for their clients until forced to do so by Defendants' bank or by law enforcement. Even when their bank orders them to terminate a client, Defendants are aware that these clients simply employ a new business name or front person making the same deceptive claims to consumers. Defendants continue processing for these clients.
44. The activities of the Defendants are conducted in widespread violation of the rules, regulations and accepted practices of the ACH network.

Customer Service, Fulfillment, and List Brokering

45. In addition to payment processing, Defendants provide various other forms of assistance and support to clients engaged in deceptive and abusive sales practices. These forms of assistance include, but are not limited to:
 - A. ***Customer Service.*** Defendants provide telephone customer support services to deceptive and abusive telemarketing schemes. Specifically, Defendants enter into contractual agreements whereby they agree to receive and respond

to inquiries, complaints, and refund requests, from consumers who purchase goods or services from Defendants' telemarketing clients. In numerous instances, in the course of providing customer service for their clients, Defendants have received complaints from consumers regarding the deceptive and abusive practices of these clients;

B. ***Fulfillment services.*** Defendants provide "fulfillment services," or arrange for third parties to provide such services, to deceptive or abusive telemarketing schemes. These fulfillment services include, but are not limited to, sending essentially worthless "benefits packages" to consumers who had been promised a major credit card by telemarketers. There is no correlation between the promises made in sales scripts reviewed by Defendants and the materials provided by Defendants to consumers;

C. ***List brokering.*** Defendants sell lead lists to deceptive and abusive telemarketing schemes. These lists typically include personal and financial information about consumers, including names, addresses, telephone numbers, bank account and routing numbers, and other data. Telemarketers use these lists to contact consumers and attempt to sell their services.

46. In processing ACH transactions for deceptive or abusive telemarketing schemes and providing other forms of substantial assistance to these schemes, Defendants have caused millions of dollars to be electronically withdrawn from the bank accounts of U.S. consumers. Defendants earn substantial fees for providing these services.

Defendants also profit from failed or returned transactions as well, charging exorbitant fees for each returned ACH debit.

THE FTC'S TELEMARKETING SALES RULE

47. In the Telemarketing Act, 15 U.S.C. §§ 6101-6108, Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices. On August 16, 1995, the FTC promulgated the TSR. 16 C.F.R. Part 310. The TSR became effective on December 31, 1995. On December 18, 2002, the FTC promulgated amendments to the TSR. The amendments became effective on March 31, 2003.
48. The TSR prohibits telemarketers and sellers from "making a false or misleading statement to induce any person to pay for goods or services." 16 C.F.R. § 310.3(a)(4). Such conduct constitutes a deceptive telemarketing act or practice and a violation of the TSR.
49. The TSR also prohibits telemarketers and sellers from requesting or receiving payment of any fee or consideration in advance of obtaining a loan or other extension of credit when the seller or telemarketer has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit. 16 C.F.R. § 310.4(a)(4). Such conduct constitutes an abusive telemarketing act or practice and a violation of the TSR.
50. The TSR also prohibits a person from providing "substantial assistance or support" to any seller or telemarketer when that person "knows or consciously avoids knowing"

that the telemarketer is engaged in acts or practices that violate 16 C.F.R. §§ 310.3(a) or 310.4 of the Rule. 16 C.F.R. § 310.3(b). Such conduct constitutes a deceptive telemarketing act or practice and a violation of the TSR.

51. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), violations of the TSR constitute unfair or deceptive acts or practices in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
52. Defendants have processed ACH transactions and provided related services on behalf of persons who are “sellers” or “telemarketers” engaged in “telemarketing,” as those terms are defined in Sections 310.2(r), (t), and (u) of the TSR as promulgated in 1995, renumbered but unchanged as Sections 310.2(z), (bb), and (cc) of the TSR as amended in 2003.

VIOLATIONS OF THE TELEMARKETING SALES RULE

COUNT I

Assisting and Facilitating Telemarketing Sales Rule Violations

53. In numerous instances, Defendants have provided substantial assistance or support, including, but not limited to (i) ACH payment processing services, (ii) customer support services, (iii) fulfillment services, and (iv) list brokering, as described in Paragraphs 35 through 46, to sellers or telemarketers whom Defendants knew or consciously avoided knowing:
 - A. induced consumers to pay for goods and services through the use of false or

misleading statements in violation of Section 310.3(a)(4) of the TSR; or

- B. falsely represented that after paying an advance fee, consumers are guaranteed or highly likely to receive a credit card or obtain a loan, in violation of Section 310.4(a)(4) of the TSR.

54. Defendants' acts or practices alleged in Paragraph 53 constitute deceptive telemarketing acts or practices in violation of Section 310.3(b) of the TSR and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF SECTION 5 OF THE FTC ACT

55. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "deceptive" or "unfair" acts and practices in or affecting commerce. Under Section 5(n) of the FTC Act, an act or practice is unfair if it causes or is likely to cause substantial injury to consumers that is not reasonably avoidable by consumers and is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

COUNT II

Unfair Acts or Practices

56. Defendants' acts and practices in processing debit transactions to consumers' bank accounts, as described in Paragraphs 35 through 46, cause or are likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and which is not outweighed by countervailing benefits to consumers or competition.

57. Therefore, Defendants' acts and practices, as described in Paragraph 56, are unfair and violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

58. Consumers throughout the United States have suffered, and continue to suffer, substantial monetary loss as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of their unlawful 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

59. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary equitable relief, including consumer redress, disgorgement, and restitution, to prevent and remedy violations of any provision of law enforced by the Commission.
60. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers or other persons resulting from Defendants' violations of the TSR, including the rescission and reformation of contracts and the refund of monies.
61. This Court, in the exercise of its equitable jurisdiction, may award other ancillary relief to remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

62. WHEREFORE, plaintiff, the Federal Trade Commission, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers, requests that the 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;
- 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 and the TSR, including, but not limited to, rescission of contracts, the refund of monies paid, and the disgorgement of ill-gotten monies; and

//

//

//

//

//

//

//

D. Award plaintiff the costs of bringing this action, as well as such other and additional equitable relief as the Court may determine to be just and proper.

Respectfully Submitted,

WILLIAM BLUMENTHAL
General Counsel

DATED: March 19, 2007

/s James H. Davis
JAMES H. DAVIS, Trial Attorney
DAVID A. O'TOOLE
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
Voice: (312) 960-5634
Fax: (312) 960-5600
email: jdavis@ftc.gov
dotoole@ftc.gov