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## **Qualified Consumers to Share \$20 Million in Redress**

### ***Skybiz Victims to Collect Court-Ordered Restitution***

Tens of thousands of consumers who were victims of SkyBiz.com, an Internet pyramid scam disguised as a legitimate business opportunity, may qualify to share in a \$20 million court-ordered redress fund. Consumers who invested in SkyBiz.com will be notified by e-mail from the court-appointed fund administrator that they may qualify to share in the redress fund. Consumers must submit all claims to the redress administrator, Robb Evans & Associates, at [www.skybiz-redress.com](http://www.skybiz-redress.com).

In June 2001, the FTC filed suit charging that the defendants promoted a work-at-home business opportunity with claims of quick riches. In sales presentations, seminars, teleconferences, Web site presentations, and other marketing material, the defendants touted the opportunity to earn thousands of dollars a week by recruiting new "Associates" into the program. The cost to join the SkyBiz Program was as much as \$125, supposedly used to buy an "e-Commerce Web Pak" but in reality it was to purchase the right to receive compensation for recruiting additional participants. According to the FTC, the defendants urged participants to invest in more than one "Web Pak" to maximize their earning potential.

The FTC charged that the claims that consumers who invested in SkyBiz would make substantial income were false; that failure to disclose that most people in pyramid schemes lose money was deceptive; that defendant provided the means and instrumentalities for others to deceive consumers by providing speakers and promotional materials that made the false and misleading claims; and that SkyBiz was actually an illegal pyramid scheme. All four acts violate the FTC Act.

The case was scheduled to go to trial January 6, 2003. By that date, the FTC also had pursued the case in the courts of Ireland and Bermuda, assisted law enforcement agencies in Canada, Australia, South Africa, New Zealand, and the United Kingdom, and partnered with consumer agencies in Hawaii, Michigan, North Carolina, Oklahoma, Wisconsin, and Wyoming.

The defendants agreed to a settlement.

The settlement provided \$20 million for consumer redress and bars all the defendants from participating in pyramid schemes or misrepresenting the amount of sales, income, profits or rewards of any future business venture. The settlement permanently bars Nanci Corporation from engaging in, advertising, or selling any multilevel marketing program. The settlement bars Elias F. Masso from engaging in any aspect of multilevel marketing for 22 years, James S. Brown for 10 years, and Kier E. Masso for seven years. The settlement bars all of the defendants from providing others with the means and instrumentalities to make false and misleading statements. In addition, the settlement requires that when the defendants make any claims regarding earnings, profits, or sales volume for future marketing programs, they disclose the number and percentage of participants who have made a profit through the program and disclose the average and median amount of money made. The settlement bars the defendants from sharing their customer lists and contains record-keeping provisions to allow the agency to monitor compliance with the order.

To view the latest information regarding the Skybiz redress fund, consumers can go to [www.skybiz-redress.com](http://www.skybiz-redress.com)

The FTC suit was filed in the U.S. District Court in the Northern District of Oklahoma. The corporate entities named in the suit include: SkyBiz.com, Inc; World Service Corporation; Nanci Corporation International; and WorldWide Service Corporation. The FTC also named several individual defendants, including: Elias F. Masso; Nanci H. Masso; Kier E. Masso; James S. Brown; Stephen D. McCullough; and Ronald E. Blanton. Blanton settled the FTC charges in January 2002, and McCullough settled the FTC charges in April 2003.

The Commission wishes to acknowledge the substantial assistance provided by the Royal Canadian Mounted Police; Australian Competition and Consumer Commission; South African Department of Trade and Industry; New Zealand Commerce Commission; United Kingdom Department of Trade and Industry; the attorneys general of Wyoming, Michigan, North Carolina, and Wisconsin; the Oklahoma Department of Securities; and the Hawaii Securities Enforcement Unit of the Department of Commerce and Consumer Affairs.

Copies of the legal documents associated with this case are available from the FTC's web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint, or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at <http://www.ftc.gov>. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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(<http://www.ftc.gov/opa/2004/05/skybiz.htm>)