



For Release: March 23, 2006

Curtain Falls on Two Bogus “Biz Opp” Actors

“Surplus Goods” Scam Cost Consumers Almost \$31 Million

Two persons have agreed to settle Federal Trade Commission charges for their roles in a fraudulent business opportunity scheme targeted in early 2005 as part of “Project Biz Opp Flop,” a crackdown on violations of the FTC’s Franchise Rule, which requires that prospective franchisees must be given a full disclosure document about business opportunities they are offered, and Section 5(a) of the FTC Act, which prohibits unfair and deceptive acts or practices affecting commerce.

Scott Douglas Rinaldo was involved with the wrongful practices of World Traders Association Inc., a Nevada corporation, and several other corporate and individual defendants, including International Merchandise Group and The Global Connection. Shannon Kirk Holden was involved with the wrongful practices of The Global Connection during part of the time it was in operation. According to the FTC complaint, the defendants violated the FTC Act and the Franchise Rule by making false and deceptive promises to franchise purchasers who paid as much as \$8,000 in return for access to overstocked merchandise, expert training in the surplus goods industry, and substantial income.

Under a stipulated judgment and order for permanent injunction proposed by the FTC, Rinaldo is permanently barred from being involved in, and making misrepresentations concerning, any aspect of commerce in business ventures. Holden is permanently barred from making misrepresentations to consumers who might purchase business ventures, goods, or services.

Judgments representing the amounts of consumer injury attributed to the two defendants – more than \$30.7 million for Rinaldo and more than \$491,000 for Holden – will be suspended due to their inability to pay. The judgments will be imposed if they are found to have misrepresented their financial condition.

The Commission voted 5-0 on March 7 to authorize staff to file each of the two stipulated judgments and orders for permanent injunction, which occurred on March 16 in U.S. District Court for the Central District of California, Western Division.

Note: A stipulated final order is for settlement purposes only and does not constitute an admission by the defendant of law violations. A stipulated final order requires approval by the court and has the force of law when signed by the judge.

Copies of the complaint are available from the FTC’s Web site at <http://www.ftc.gov> and 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 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 help consumers spot, stop, and avoid them. To file a complaint in English or Spanish (bilingual counselors are available to take complaints), or to get free information on any of 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/2006/03/worldtraders.htm>)