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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

EX PARTE OR LATE FILED

Bureau of Consumer Protection
Division of Service Industry Practices

Eric J. Bash
Attorney

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March 25, 1996

Via Hand Delivery

DOCKET FILE COPY ORIGINAL

Office of the Secretary
FEDERAL COMMUNICATIONS COMMISSION
1919 M Street, NW
2nd Floor
Washington, DC 20554

RE: *WT Docket No. 96-18; PP Docket No. 93-253*

Dear Mr. Secretary:

On March 19, 1996, members of the FTC's Bureau of Consumer Protection staff met with members of the FCC's Wireless Telecommunications Bureau staff. Among the subject discussed were the FTC's recent comment filed in the above docket, and some of the specific allegations and facts in five of the FTC's recent cases against telemarketers of preparation services for paging licenses. Enclosed please find for filing in the above docket: (1) copies of the complaints filed in these cases, (2) copies of the texts (*i.e.*, without attachments) of some consumer declarations filed in these cases, (3) excerpts from a deposition in one of these cases, and (4) a copy of the brief filed in one of these cases in support of a motion for a temporary restraining order.

Should there be questions, please direct them to Heather Hippsley, at 326-3285, or Eric J. Bash, 326-2892.

Sincerely,

Eric J. Bash

Encl.

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STEPHEN CALKINS
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MAR 25 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION, Plaintiff, v. BELL CONNECTIONS, INC., JIMMIE JUSTUS, MICHAEL BERMAN, d/b/a DISCOUNT FILING SERVICES, DONALD LEE DAYER, and ERWIN ALLEN STRAUSS, Defendants.	Case No. 96-0455 KMW (SHx) FIRST AMENDED COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), by its undersigned attorneys, alleges as follows:

JURISDICTION AND VENUE

1. This is an action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to secure a permanent injunction and other equitable relief, including rescission, restitution and disgorgement, against defendants for

violations of 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. This Court has subject matter jurisdiction over plaintiff's claims pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

2. Venue in this district is proper under 28 U.S.C. § 1391(b) and (c) and 15 U.S.C. § 53(b).

THE PARTIES

3. Plaintiff Commission 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), and is authorized under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to initiate court proceedings to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case.

4. Defendant Bell Connections, Inc. ("Bell") is a California corporation with its principal places of business at 21031 Ventura Boulevard, Suite 1000, Woodland Hills, California, and 6355 Topanga Canyon Road, Woodland Hills, California. Bell offers application preparation services to consumers in connection with the Federal Communications Commission's ("FCC's") paging licensing program. Bell transacts or has transacted business in this district.

5. Defendant Jimmie Justus ("Justus") is the President, Chief Executive Officer, Secretary, Chief Financial Officer, and sole director of Bell. Individually or in concert with others,

Justus directs, controls, formulates or participates in the acts and practices of defendant Bell, including the acts and practices set forth herein. Justus transacts or has transacted business in this district.

6. Defendant Michael Berman ("Berman") is an individual who has done business as and owns Discount Filing Services. Defendant Berman d/b/a Discount Filing Services has offered application preparation services to consumers in connection with the FCC's paging licensing program. Defendant Berman acts as a salesperson on behalf of defendant Bell. Individually or in concert with others, Berman directs, controls, formulates, or participates in the acts and practices of defendant Bell, including the acts and practices set forth herein. Berman transacts or has transacted business in this district.

7. Defendant Donald Lee Dayer ("Dayer") is an individual who has offered application preparation services to consumers in connection with the FCC's paging licensing process through his association with defendant Bell. Defendant Dayer acts as a salesperson on behalf of defendant Bell. Individually or in concert with others, Dayer directs, controls, formulates, or participates in the acts and practices of defendant Bell, including the acts and practices set forth herein. Dayer transacts or has transacted business in this district.

8. Defendant Erwin Allen Strauss ("Strauss") is an individual who has offered application preparation services to consumers in connection with the FCC's paging licensing process through his association with defendant Bell. Individually or in concert with others, Strauss directs, controls, formulates, or

participates in the acts and practices of defendant Bell, including the acts and practices set forth herein. Strauss transacts or has transacted business in this district.

9. The acts and practices of defendants Bell, Justus, Berman, Dayer, and Strauss (collectively "defendants") as alleged herein are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' COURSE OF CONDUCT

10. Paging refers to a wireless telecommunication service, offered by paging businesses, that utilizes certain radio frequencies licensed and regulated by the FCC. The customers of paging businesses carry small battery-operated devices, known as pagers, that receive messages transmitted over a paging business's radio frequencies in a specific service coverage area. Depending on the technology employed, the message can be a tone-only alert, a numeric telephone number that the caller enters to be called back, a short voice message, or a full alphanumeric text message entered from a computer or similar terminal.

11. The FCC assigns paging licenses in several frequency bandwidths including the 929 megahertz ("MHz"), 931 MHz, and 454 MHz bandwidths. Licenses issued by the FCC grant the licensee either "shared" or "exclusive" use of a paging frequency for a specific service area. All 931 and 454 MHz frequencies are issued on an exclusive basis, which means no other company or individual may use that portion of the radio spectrum within the defined service area Many 929 MHz frequencies are issued on a shared basis, which means that a virtually unlimited number of

individuals or companies may have the right to use the same portion of the radio spectrum within the defined service area. To obtain either a shared or exclusive license for a paging frequency, an applicant must submit a form to the FCC (Form 600) indicating the longitude and latitude of the tower sites from which the applicant intends to transmit radio signals. For the vast majority of paging license applications, applicants are not required to conduct engineering studies, site analyses, or environmental impact studies, and generally only applicants for licenses in the 454 MHz frequency may be required to submit interference studies The application fee required for FCC paging licenses is $45 for a 929 MHz frequency and $265 for the 931 MHz or 454 MHz frequencies. If awarded a license, the licensee must begin providing paging service to the public within one year of receiving the license, or the FCC will revoke the license. Under FCC regulations, an applicant for a paging license is barred from obtaining or attempting to obtain such a license for the purpose of speculation or profitable resale. A licensee is required to use the license only for the purpose of providing telecommunication services to the public.

12. Since at least November 1994, and continuing thereafter, defendants have maintained a substantial course of trade in the sale of application preparation and filing services to consumers in connection with the FCC's paging licensing program. Defendants offer and sell their paging license application services to consumers throughout the United States through telephone sales presentations and written promotional materials.

13. Defendants represent to consumers that they will prepare and submit applications for paging licenses to the FCC for fees ranging from $1,580 to $2,900 per license. Defendants encourage consumers to use defendant Bell's application services to apply for multiple licenses in different geographic areas. Defendants claim that the fees they charge are for the engineering and other services provided in preparation of license applications. Defendants also represent that they will assist consumers in marketing such licenses for no additional charge.

14. Defendants represent that the licenses consumers obtain through defendants' application services are highly valuable. Defendants claim that consumers who obtain such licenses will receive multiple offers by paging businesses to purchase or lease the licenses. Defendants claim that consumers who obtain licenses will not have to construct paging systems themselves, because the paging businesses to whom they lease or sell will construct the systems. Defendants claim that consumers will either sell or lease their licenses for a multiple (e.g., two to three times) of the amounts that the consumers pay defendant Bell to acquire the licenses. Defendants represent that paging businesses will want to purchase or lease licenses from consumers because the FCC will not grant multiple paging licenses to any single entity or individual for use in a given geographic area. Defendants claim that this alleged restriction compels those paging businesses that need additional licenses for their paging systems to buy or lease licenses from other licensees, rather than obtaining additional licenses from the FCC.

DEFENDANTS' VIOLATIONS OF THE FTC ACT

15. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits deceptive acts or practices in or affecting commerce.

16. As set forth below, in the course and conduct of their business, defendants individually or in concert with others, have engaged in deceptive practices in violation of Section 5(a) of the FTC Act, in connection with the offering and sale of paging license application preparation services.

17. Defendants have falsely represented, directly or by implication, that defendants' customers are likely to earn substantial profit by leasing or selling licenses obtained through defendants' application services to paging businesses. In fact, defendants' customers are unlikely to earn substantial profit by leasing or selling licenses obtained through defendants' application services to paging businesses.

18. Defendants have falsely represented, directly or by implication, that defendants' customers are likely to derive income or profit from licenses obtained through defendants' application services without constructing a paging system themselves. In fact consumers are unlikely to derive income or profit from licenses obtained through defendants' application services without constructing a paging system themselves.

19. Defendants have falsely represented, directly or by implication, that no entity or individual may obtain multiple paging licenses directly from the FCC for use in a given geographic area. In fact, any entity or individual may obtain multiple paging licenses directly from the FCC for use in a given geographic area.

20. Defendants have falsely represented, directly or by implication, that the purchase of paging licenses through defendants' application services is an excellent investment that is likely to generate substantial profits. In fact, the purchase of paging licenses through defendants' application services is not an excellent investment that is likely to generate substantial profits. Indeed, the types of licenses for unconstructed paging systems that consumers obtain through defendants' application services have minimal, if any, investment value.

21. Defendants' false and misleading representations as set forth above constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

22. Consumers have in fact been injured by defendants' violations of Section 5(a) of the FTC Act, as set forth in Paragraphs 15-18 above. As a result of defendants' deceptive acts or practices, it is highly likely that consumers will lose all or part of their investments.

THIS COURT'S POWER TO GRANT RELIEF

23. Section 13(b) of the FTC Act empowers this Court to grant injunctive relief to prevent and remedy violations of the FTC Act, and in the exercise of its equitable jurisdiction, to award redress to remedy the injury to consumers, order disgorgement of monies resulting from defendants' unlawful acts or practices, and issue other ancillary equitable relief.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court:

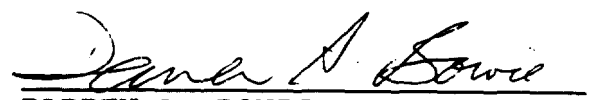
(1) Enjoin defendants permanently, preliminarily and temporarily, from violating Section 5(a) of the FTC Act in connection with the advertising, offering for sale, sale, or other promotion of services and investments in paging or other licenses issued by the FCC, or any other services and investments, or assisting in the making of deceptive written or oral statements similar to those alleged herein;

(2) Award such relief as the Court finds necessary to redress injury to consumers resulting from defendants' violations of Section 5(a) of the FTC Act, including but not limited to, rescission of contracts or refund of money, and disgorgement of unlawfully obtained monies;

(3) Award plaintiff the cost 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,

STEPHEN CALKINS
General Counsel



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Dated: January 26, 1996

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION, Plaintiff, v. MICOM CORPORATION, JOSEPH M. VIGGIANO, and LAWRENCE WILLIAMS Defendants.	96 Civ. 0472

COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission ("Commission"), by its undersigned attorneys, alleges as follows:

JURISDICTION AND VENUE

1. This is an action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to secure a permanent injunction and other equitable relief, including rescission, restitution and disgorgement, against defendants for violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices. This Court has subject matter jurisdiction over plaintiff's claims pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

2. Venue in this district is proper under 28 U.S.C. § 1391(b) and (c) and 15 U.S.C. § 53(b).

THE PARTIES

3. Plaintiff Commission 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), and is authorized under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to initiate court proceedings to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case.

4. Micom Corporation ("Micom") is a Delaware corporation with its principal place of business at 421 7th Avenue, Suite 1100, New York, New York 10001. Micom offers application preparation services to consumers in connection with the Federal Communications Commission's ("FCC's") communications licensing

program. Micom transacts or has transacted business in this district.

5. Joseph M. Viggiano ("Viggiano") is the President of Micom. Individually or in concert with others, he directs, controls, formulates or participates in the acts and practices of Micom, including the acts and practices set forth herein. Viggiano transacts or has transacted business in this district.

6. Lawrence Williams ("Williams") is the Vice-President of Micom. Individually or in concert with others, he directs, controls, formulates or participates in the acts and practices of Micom, including the acts and practices set forth herein. Williams transacts or has transacted business in this district.

7. The acts and practices of defendants Micom, Viggiano, and Williams (collectively hereinafter "defendants"), as alleged herein, are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

BACKGROUND

8. Paging refers to a wireless telecommunication service, offered by paging businesses, that utilizes certain radio frequencies licensed and regulated by the FCC. The customers of paging businesses carry small battery-operated devices known as pagers, that receive messages transmitted over a paging business's radio frequencies in a specific service coverage area. Depending on the technology employed, the message can be a tone-only alert, a numeric telephone number that the caller enters to be called back, a short voice message, or a full alphanumeric

text message entered from a computer or similar terminal.

9. The FCC assigns paging licenses in several frequency bandwidths including the 929 MHz, 931 MHz, and 152 MHz bandwidths. Licenses issued by the FCC grant the licensee either "shared" or "exclusive" use of a paging frequency for a specific service area. All 931 MHz and some 152 MHz frequencies are issued on an exclusive basis which means no other company or individual may use that portion of the radio spectrum within the defined service area. Many 929 MHz and 152 MHz frequencies are issued on a shared basis which means that a virtually unlimited number of individuals or companies may have the right to use the same portion of the radio spectrum within the defined service area. To obtain either a shared or exclusive license for a paging frequency, an applicant must submit a form to the FCC (Form 600) indicating the longitude and latitude of the tower sites from which the applicant intends to transmit radio signals. For the vast majority of paging license applications, applicants are not required to conduct engineering studies, site analyses, or environmental impact studies, and generally only applicants for certain exclusive 152 MHz licenses may be required to submit interference studies. The FCC application fee required for an FCC paging license is $45 for a 929 MHz frequency and shared 152 MHz frequency and $265 for a 931 MHz or an exclusive 152 MHz frequency. If awarded a license, the licensee must begin providing paging service to the public within one year of receiving the license, or the FCC will revoke the license. Under

FCC regulations, an applicant for a paging license is barred from obtaining or attempting to obtain such a license for the purpose of speculation or profitable resale. A licensee is required to use the license only for the purpose of providing telecommunication services to the public.

10. Specialized Mobile Radio ("SMR") refers to a type of two-way mobile communications service that utilizes radio spectrum allocated by the FCC. SMR systems generally provide dispatch, private voice and data networks, paging, and telephone interconnect services to end-users. The FCC issues licenses for SMR systems consisting of one or more channels. In October 1995, the FCC suspended offering SMR licenses through an application process, and announced that it would offer them through an auction process in the future.

DEFENDANTS' COURSE OF CONDUCT

11. Since at least February 1995, and continuing thereafter, defendants have maintained a substantial course of trade in the sale of application preparation and filing services to consumers in connection with the FCC's SMR or paging licensing programs (collectively "communications licenses"). Defendants offer and sell their communication license application services to consumers throughout the United States through written promotional materials and telephone sales presentations.

12. Defendants represent to consumers that, for a fee of $3,000 to $11,000, defendants will prepare and submit applications to the FCC to obtain communications licenses.

Defendants represent that the FCC requires engineering studies, site analyses, environmental impact studies, or interference studies for communications license applications and that defendants perform or have performed such studies and analyses on the consumers' behalf. Defendants represent that license applications are submitted only for service areas in markets most likely to produce a return for consumers. For paging application customers, defendants claim to assist consumers in obtaining exclusive frequencies. To date, many of the customers who have utilized defendants' paging application services have received shared rather than exclusive frequencies or have received no licenses at all.

13. Defendants represent that consumers who pay for their communications license application services will obtain valuable licenses. Defendants represent that Micom will refund 100 percent of a consumer's fee payment if the consumer does not receive a communications license due to FCC termination of a licensing program. Defendants also represent that they will assist the consumers in marketing the licenses for no additional charge.

14. Defendants claim that consumers who obtain paging licenses will quickly receive offers by paging companies to purchase or lease the licenses. Defendants represent that paging companies will want to lease or purchase paging licenses from consumers because the FCC will not grant multiple paging licenses to any single entity or individual for use in a given geographic

area. This alleged restriction purportedly compels paging companies that need additional licenses for their systems to buy or lease licenses from other license holders, rather than applying for licenses from the FCC. Defendants claim that the consumers will either sell or lease their paging licenses for at least two times the amount that the consumers pay Micom to acquire the licenses. Defendants further claim that the consumers who obtain paging licenses will not have to construct paging systems themselves to render their licenses operational, because the paging companies to whom they will purportedly lease or sell will construct the systems on the consumers' behalf.

DEFENDANTS' VIOLATIONS OF THE FTC ACT

15. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a) prohibits deceptive acts or practices in or affecting commerce.

16. As set forth below, in the course and conduct of their business, defendants, individually or in concert with others, have engaged in deceptive practices in violation of Section 5(a) of the FTC Act, in connection with the offering and sale of communications license application preparation services.

17. Defendants have falsely represented, directly or by implication, that consumers will receive a 100 percent refund for payments to Micom for any SMR license that consumers do not receive due to FCC termination of its SMR license application program. In fact, in many cases, consumers have made payments to Micom for SMR licenses that they did not receive due to FCC

termination of its SMR license application program, and have not received refunds of their payments.

18. Defendants have falsely represented, directly or by implication, that defendants' customers are likely to earn substantial profit through leasing or selling their licenses to paging businesses. In fact, defendants' customers are not likely to earn substantial profit through leasing or selling their licenses to paging businesses.

19. Defendants have falsely represented, directly or by implication, that defendants' customers will derive income or profit from their licenses without constructing a paging system themselves. In fact, defendants' customers are unlikely to derive any income or profit from their licenses without constructing a paging system themselves.

20. Defendants have falsely represented, directly or by implication, that no entity or individual may obtain multiple paging licenses directly from the FCC for use in a given geographic area. In fact, any entity or individual may obtain multiple paging licenses directly from the FCC for use in a given geographic area.

21. Defendants have falsely represented, directly or by implication, that the FCC typically requires a paging license applicant to submit or conduct engineering studies, site analyses, environmental impact statements, service coverage maps, or interference studies for the types of licenses acquired through defendants' services. In fact in most instances, the FCC

does not require a paging license applicant to submit or conduct engineering studies, site analyses, environmental impact statements, service coverage maps, or interference studies for the types of licenses acquired through defendants' services.

22. Defendants have falsely represented, directly or by implication, that the purchase of paging licenses through defendants' application services is a relatively low risk, excellent investment that is likely to generate substantial profits. In fact, the purchase of paging licenses through defendants' application services is not a relatively low risk, excellent investment that is likely to generate substantial profits. Indeed, the types of licenses for unconstructed paging systems that consumers obtain through defendants' application services have minimal, if any, investment value.

23. Defendants' false and misleading representations as set forth above constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

24. Consumers have in fact been injured by defendants' violations of Section 5(a) of the FTC Act, as set forth in Paragraphs 16-23 above. As a result of defendants' deceptive acts or practices, it is highly likely that consumers will lose all or part of their investments.

THIS COURT'S POWER TO GRANT RELIEF

25. Section 13(b) of the FTC Act empowers this Court to grant injunctive relief to prevent and remedy violations of the

FTC Act, and in the exercise of its equitable jurisdiction, to award redress to remedy the injury to consumers, order disgorgement of monies resulting from defendants' unlawful acts or practices, and issue other ancillary equitable relief.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court:

(1) Enjoin defendants permanently, preliminarily and temporarily from violating Section 5(a) of the FTC Act in connection with the advertising, offering for sale, sale, or other promotion of services and investments in paging, SMR, or other FCC licenses, or any other services and investments, or assisting in the making of deceptive written or oral statements similar to those alleged herein;

(2) Award such relief as the Court finds necessary to redress injury to consumers resulting from defendants' violations of Section 5(a) of the FTC Act, including but not limited to, rescission of contracts or refund of money and disgorgement of unlawfully obtained monies;

(3) Award plaintiff the cost of bringing this action as well as such other and additional equitable relief as the Court may determine to be just and proper.

Dated: January 22, 1996

Respectfully submitted,

STEPHEN CALKINS
General Counsel

JAMES GARLAND
STEPHEN GURWITZ

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

96-6081 CIV-GONZALEZ

MAGISTRATE JUDGE SNOW

FEDERAL TRADE COMMISSION, Plaintiff, v. NORTH EAST TELECOMMUNICATIONS, LTD.; STRATEGIES TELECOM, INC.; TANNEN ADVERTISING, INC.; MARK R. GOLDSTEIN; DANIEL L. COUTINHO; ROGER FORD; RON STEWART and STEVE COLLINS, Defendants.	Case No. COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission ("Commission"), by its undersigned attorneys, alleges as follows:

JURISDICTION AND VENUE

1. This is an action under Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to secure a permanent injunction and other equitable relief, including rescission, restitution and disgorgement, against defendants for violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices. This Court has subject matter jurisdiction over plaintiff's claims

pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

2. Venue in this district is proper under 28 U.S.C. § 1391(b) and (c) and 15 U.S.C. § 53(b).

THE PARTIES

3. Plaintiff Commission 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), and is authorized under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to initiate court proceedings to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case.

4. North East Telecommunications, Ltd. ("NET") is a Delaware corporation doing business at 500 Fairway Drive, Suite 104, Deerfield Beach, Florida. NET has an office at 1 World Trade Center, Suite 7967, New York, New York. NET offers application preparation services to consumers in connection with the Federal Communications Commission's ("FCC's") paging licensing program. NET transacts or has transacted business in this district. NET has also sought and procured, on behalf of some consumers, paging licenses for service areas located in this district.

5. Strategies Telecom, Inc. ("Strategies") is a Florida corporation with its principal place of business at 700 East Atlantic Blvd., Suites 300 and 302, Pompano Beach, Florida.

Strategies is billed for several toll telephone lines used by NET in NET's telemarketing of FCC paging license application preparation services. In addition, for some time, Strategies was billed for telephone calls made to NET's toll free 800 telephone number. Strategies transacts or has transacted business in this district.

6. Tannen Advertising, Inc. ("Tannen") is a Florida corporation with its principal place of business at 500 Fairway Drive, Suite 104, Deerfield Beach, Florida. Tannen also is doing or has done business at 700 East Atlantic Blvd., Suite 302 and at 10 Fairway Drive, Suite 226, Deerfield Beach, Florida. Tannen initiated toll free 800 telephone number service from which NET engages in the telemarketing of FCC paging license application preparation services. Tannen has received hundreds of thousands of dollars from NET. Tannen is located in the same office from which NET engages in its telemarketing activities. Tannen transacts or has transacted business in this district.

7. Mark R. Goldstein ("Goldstein") is the chief executive officer, registered agent and sole director of Tannen. Goldstein is the only person with signature authority on at least one of Tannen's bank accounts. Goldstein is also the vice president of Strategies. Individually or in concert with others, he directs, controls, formulates or participates in the acts and practices of Tannen and Strategies, including the acts and practices set forth herein. He resides, transacts or has transacted business in this district.