JURISDICTION AND VENUE

2 2. This Court has subject matter jurisdiction over this action
3 pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C.
4 § 53(b).

3. Venue in the United States District Court for the Central
District of California is proper under 28 U.S.C. §§ 1391(b) and (c),
7 and 15 U.S.C. § 53(b).

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# THE PARTIES

Plaintiff, the Federal Trade Commission ["Commission" or 10 4. "FTC"], is an independent agency of the United States Government 11 created by statute. 15 U.S.C. §§ 41 - 58. The Commission is 12 charged, <u>inter alia</u>, with enforcement of Section 5(a) of the FTC Act, 13 14 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission may initiate 15 federal district court proceedings to enjoin violations of the FTC 16 Act and to secure such equitable relief as is appropriate in each 17 case, including restitution for injured consumers. 15 U.S.C. 18  $\S$  53(b), 57b, and 6105(b). 19

5. Defendant Western United Service Corporation d/b/a Titan 20 Business Solutions ["Titan"], is a California corporation with its 21 principal place of business at 4410 West Victory Blvd., Burbank 22 California. Titan is also registered to do business under the names 23 "Titan Distributing" and "Titan Marketing." Titan maintains an 24 business address and receives mail at 10 Universal City Plaza, Suite 25 2000, Universal City, California 91608. Titan also receives mail at 26 10061 Riverside Drive, #834, Los Angeles, California 91602. Titan 27 advertises, promotes, and sells medical billing employment 28

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1 opportunities. Titan transacts or has transacted business in the 2 Central District of California.

# 3 6. Defendant Scott Ford ["Ford"] is the President and an owner 4 of Titan. He is also registered as the owner of Titan Distributing 5 and Titan Marketing. At all times material to this complaint, acting 6 alone or in concert with others, he has formulated, directed, 7 controlled, or participated in the acts and practices of Titan 8 including the acts and practices set forth in this complaint. He 9 transacts or has transacted business in the Central District of 10 California.

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#### COMMERCE

7. At all times relevant to this complaint, the Defendants have maintained a substantial course of trade in the offering for sale and sale of medical billing employment opportunities, in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

#### DEFENDANTS' BUSINESS ACTIVITIES

1 \$45,000 a year. The Defendants' advertisements state that no 2 experience is necessary and that Defendants will provide training. 3 The advertisements urge consumers to call Defendants' toll free 4 numbers to learn more about the opportunity. For example, a typical 5 newspaper classified advertisement states:

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#### "MEDICAL BILLER.

Great income potential!

Earn up to \$45k/year.

Full training. Computer

required. Call TITAN

tollfree . . . "

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14 10. Defendants also advertise their medical billing opportunity 15 on their Internet web site at www.billfromhome.com. As with the 16 written advertisements, Defendants' web site also encourages 17 consumers to call the Defendants' toll free number to learn more 18 about the opportunity.

19 11. Consumers who call Defendants' toll free telephone numbers 20 are connected to Defendants' employees who promise consumers that, in 21 exchange for a payment generally in excess of \$300.00, consumers will 22 receive all the equipment and training necessary to conduct 23 electronic medical billing for physicians in the consumers' local 24 areas.

12. The Defendants claim that all physicians are required by law to submit all claims through electronic means and that consumers who purchase Defendants' product will be able to provide physicians with an essential service.

1 13. The Defendants further promise that consumers will receive 2 free Internet access, full training and that Defendants will provide 3 consumers a list of physicians with whom the Defendants have business 4 arrangements. Typically, there is no discussion of Defendants' 5 refund policy during the solicitation.

6 14. Consumers who purchase Defendants' medical billing package
7 receive software for performing medical billing, an instruction
8 manual, and some motivational tapes.

9 15. In many cases, the package containing the software bears a 10 sticker advising consumers that if the package is opened, consumers 11 will forfeit any right to any refund of their money. It is 12 impossible, however, for a consumer to review and evaluate the 13 materials provided by Defendants without opening the package.

14 16. Typically, before consumers can obtain the promised list 15 of physicians, the consumer must execute and return a registration 16 card.

17 17. In numerous instances, consumers who contact the 18 physicians on the list learn that the physicians do not have any 19 relationship or arrangements with the Defendants and that the 20 physicians neither want nor need the medical billing services being 21 offered by the consumers.

18. Few, if any, consumers who purchase the Defendants' medical billing opportunity are able to earn any income using Defendants' product.

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#### VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

20. Misrepresentations or omissions of material fact constitute
 deceptive acts or practices prohibited by Section 5(a) of the FTC
 Act.

### COUNT I

6 21. In numerous instances in the course of offering for sale
7 and selling their medical billing employment opportunities,
8 Defendants or their employees or agents have represented, expressly
9 or by implication,

- a. that consumers who purchase the medical billing employment
   opportunity from Defendants will receive a complete package
   suitable for a consumer to start his or her own medical
   billing business;
- b. that Defendants will furnish consumers with the names and
  addresses of pre-screened physicians who are likely to use
  the consumers to process their medical claims; and
  c. that consumers, by use of Defendants' medical billing
  employment opportunity, will earn specific levels of
- 19 earnings, such as an income as high as \$45,000 per year or 20 from \$3 to \$7 per claim.
- 21 22. In truth and in fact,

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- a. consumers who purchase the medical billing employment
   opportunity from Defendants do not receive a complete
   package suitable for a consumer to start his or her own
   medical billing business;
- b. the physicians whose names Defendants provide to consumers
   do not have a pre-existing relationship with Defendants,
   few, if any, physicians will use the consumers to process

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their medical claims; and

c. few, if any, consumers who purchase the Defendants' medical
billing employment opportunity earn, or will earn, the
specific level of earnings represented by Defendants, such
as an income as high as \$45,000 per year or from \$3 to \$7
per claim.

7 23. Therefore, Defendants' representations as set forth in 8 Paragraph 21 are false and misleading and constitute deceptive acts 9 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 10 § 45(a).

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#### CONSUMER INJURY

13 24. Consumers throughout the United States have suffered and 14 continue to suffer substantial monetary loss as a result of 15 Defendants' unlawful acts or practices. In addition, Defendants have 16 been unjustly enriched as a result of their unlawful practices. 17 Absent injunctive relief by this Court, Defendants are likely to 18 continue to injure consumers, reap unjust enrichment, and harm the 19 public interest.

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# THIS COURT'S POWER TO GRANT RELIEF

22 25. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers 23 this Court to grant injunctive and other ancillary relief, including 24 consumer redress, disgorgement, and restitution, to prevent and 25 remedy any violations of any provision of law enforced by the 26 Commission.

27 26. This Court, in the exercise of its equitable jurisdiction, 28 may award ancillary relief to remedy injury caused by the Defendants'

1 law violations.

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PRAYER FOR RELIEF

WHEREFORE, plaintiff requests that this Court, as authorized by Section 13(b) of the FTC Act, 15 U.S.C. §53(b), and pursuant to its own equitable powers:

7 1. Award plaintiff such preliminary injunctive and ancillary 8 relief, including a temporary restraining order and appointment of a 9 receiver, as may be necessary to avert the likelihood of consumer 10 injury during the pendency of this action and to preserve the 11 possibility of effective final relief;

12 2. Permanently enjoin the Defendants from violating the FTC13 Act, as alleged herein;

Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendants' violations of the FTC Act, including but not limited to, the rescission of contracts, the refund of monies paid, and the disgorgement of ill-gotten gains; and

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1	4. Award plaintiff the costs of bringing this action, as well
2	as such other and additional relief as the Court may determine to be
3	just and proper.
4	Respectfully submitted,
5	DEBRA A. VALENTINE,
6	General Counsel
7	DATED:
8	Amy Brothers Kenneth Abbe
9	Attorneys for Plaintiff Federal Trade Commission
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