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10 Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

11
12 **IN THE UNITED STATES DISTRICT COURT**
FOR THE CENTRAL DISTRICT OF CALIFORNIA
13 **WESTERN DIVISION**

14 FEDERAL TRADE COMMISSION,)

15 Plaintiff,)

16 v.)

17 HEALTHCARE CLAIMS NETWORK, INC.,)
18 a California corporation, doing)

Civ No. 2:02CV4569 MMM(AJWx)

AMENDED COMPLAINT FOR
INJUNCTIVE AND OTHER

FILED
FEB 21 1 42 PM '03
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
BT

[REDACTED]

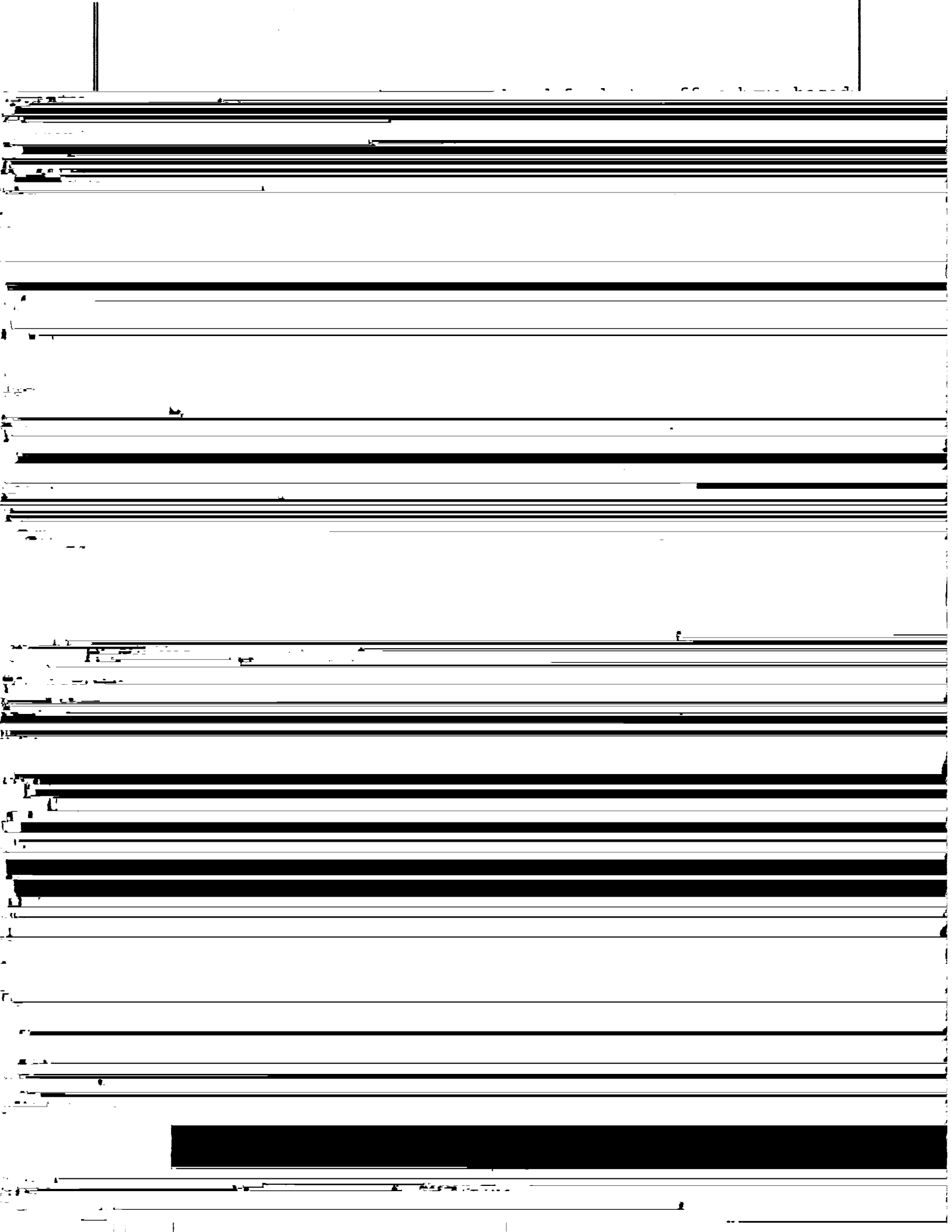
1 sells work-at-home medical billing business opportunities.

2 HealthCare Claims Network also does business as Med Data Solutions

1 controlled, or participated in the acts and practices of Healthcare
2 Claims Network, Inc., including the acts and practices set forth in
3 this Amended Complaint. Anne Miller transacts or has transacted
4 business in the Central District of California.

5 COMMERCE

6 9. At all times relevant to this Amended Complaint, the
7 defendants have maintained a substantial course of business in the
8 offering for sale and sale of medical billing business opportunities,
9 in or affecting commerce, as "commerce" is defined in Section 4 of
10 the FTC Act 15 U.S.C. § 14.



1 "certification" exam. The defendants represent that their
2 "certification" will be both necessary and useful in the medical
3 billing industry. In reality, there is no certification required or
4 recognized by the medical billing industry. Those consumers who do
5 study and eventually take the defendants' "certification" exam are
6 disappointed to find that the exam is not designed to assess their
7 medical billing skills. The exam is so easy, it is almost impossible
8 to fail. On at least one occasion, a consumer received her signed
9 certificate just days after she paid for Med Data Solutions' medical
10 billing package, before she had even attempted to schedule the
11 certification exam.

12 19. The medical billing package which the defendants send to
13 consumers generally includes a medical billing software CD and a list
14 of physicians in the consumer's state who the defendants claim are
15 currently not processing their claims electronically and who thus
16 will likely use the consumer's medical billing services.

1 the defendants' medical billing packages.

2 VIOLATIONS OF SECTION 5 OF THE FTC ACT

Section 5 of the FTC Act, 15 U.S.C. § 45(a), prohibits

[REDACTED]

1 29. Therefore, the defendants' representations, as set forth
2 in Paragraph 27, are false and misleading and constitute deceptive

1 Act as alleged herein;

2 3. Award such relief as the Court finds necessary to redress
3 injury to consumers resulting from the defendants' violations of the
4 FTC Act, including but not limited to, rescission or reformation of
5 contracts, restitution, the refund of monies paid, and the
6 disgorgement of ill-gotten monies; and

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

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Respectfully Submitted,

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WILLIAM E. KOVACIC
General Counsel

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W. E. Kovacic

CERTIFICATE OF SERVICE

1
2 I, Katherine Romano Schnack, hereby certify that on this day
3 I caused to be served true copies of the (1) Plaintiff's
4 Application for Leave to File Amended Complaint and Application