

1 DAVID C. SHONKA  
2 Acting General Counsel  
3 CHARLES A. HARWOOD  
4 Regional Director Northwest Region  
5 NADINE S. SAMTER (WA Bar No. 23881)  
6 nsamte@ftc.gov  
7 Federal Trade Commission  
8 915 Second Ave., Suite 2896  
9 Seattle, WA 98174  
10 Phone: 206 220-6350/Fax: 206 220-6366

9 LOCAL COUNSEL  
10 THOMAS J. SYTA (CA Bar No. 116286)  
11 tsyta@ftc.gov  
12 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024  
13 Phone: 310 824-4324/Fax: 310-824-4380

13 Attorneys for Plaintiff  
14 FEDERAL TRADE COMMISSION

15  
16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA

18  
19 FEDERAL TRADE COMMISSION,

20 Plaintiff,

21 *v.*

22 TERRY SOMENZI, individually and as  
23 an officer of International Advisory  
24 Services, Inc., and also doing business  
25 Paulson Independent Distributors,  
26 International Procurement Center, helps  
27 Ingram Distributors and Keller Sloan &  
28 Associates,

MILLENIUM DIRECT

Case No. 2:16-CV-07101

COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF



1 5. The FTC is authorized to initiate federal district court proceedings,  
2 by its own attorneys, to enjoin violations of the FTC Act and to secure such  
3 equitable relief as may be appropriate in each case, including rescission or  
4 reformation of contracts, restitution, the refund of monies paid, and the  
5 disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).  
6

7  
8 6. Defendant \_\_\_\_\_ was the president of International  
9 Advisory Services, Inc. <sup>3</sup>, § 6 á now dissolved Wyoming corporation with its  
10 registered address at 21143 Hawthorne Blvd, #130, Torrance, CA 90503.  
11 Defendant (CS) (m) (z) (i) acting both individually and as an officer of (A) (S) (d) (c) (3) (1) Tm [(o)-n  
12 business under the names Paulson Independent Distributors, International  
13 Procurement Center, Phelps Ingram Distributors, and Keller Sloan & Associates.  
14 At all times material to this Complaint, acting alone or in concert with others, he  
15 has formulated, directed, controlled, had the authority to control, or participated in  
16 the acts and practices 500524 [(4(c)(h)-3(a)84T 1 0 0 1 165.7a.h7)-3(t)-3(, )4(ac379.9 2)-3  
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fact that you have won a cash prize must be thrilling and somewhat  
overwhelming ~~we~~ ask that you read carefully. .  
Sweepstakes report documentation for the total aggregate funds  
amount of \$1,943,543.54 as noted above is awaiting your reply with  
proceeding fee [sic]. . . for outright access to the amount listed above  
{This is not a mistake.} Exhibits A, B; also Exhibits C, D except  
that amount is \$943,543.54

B. You have won a GUARANTEED CASH PRIZE payment per  
disclosed terms and conditions noted within. Your check will be paid  
by bank check ~~cash~~ at any banking institution (Exhibit C)

C. REPORT OF ACCESS TO PRIZE AGGREGATE IS CONFIRMED

1 F. Furthermore, [JOHN], I am thrilled to advise you that Report of  
2 Payout by Independent sponsors in the amount of \$936,143.00 has  
3 now been confirmed for delivery to your address. (Exhibits I and J

4 15. To bolster the impression that the consumer has won a prize,  
5 personalized notifications congratulate the recipient on his or her winnings and  
6 include the following or similar statements:

7 A. May we offer our warmest wishes at this moment from the  
8 management and executive offices, ~~and~~ as our entire organization  
9 and staff of the KSA control office (Exhibits C and D)

10 B. Congratulations, [Jane Doe]: . . . Congratulations on your good  
11 fortune. (Exhibit F)

12 C. CONGRATULATIONS [JOHN DOE]! YOU ARE OUR NEW ~~ST~~  
13 CONFIRMED CASH PRIZE WINNER (Exhibits I and J)

14 D. [JOHN], rest assured that there ~~is~~ is ~~no~~ no mistake, misprint or error. This  
15 is the notice you have been waiting for all your life! Please accept  
16 my most sincere congratulations. (Exhibits I and J)

17 E. Congratulations again on your guaranteed cash prize win! (Exhibits I  
18 and J)

19 20 16. The personalized notifications further reinforce that the consumer has  
21 won a prize by stating that the recipient has been specially selected to receive the  
22 notification, and include the following or similar language:

23 A. CONFIRMED PRIZE WINNER NAME: [JANE DOE]  
24  
25  
26  
27  
28

1 C. Congratulations, [Ms. Jane Doe]: On October 31, 2014, you were  
2 confirmed by a data audit for receipt of a check issued in your name.  
3 (Exhibits E and F)

4 D. [JANE DOE], HOLDER OF PRIZE LISTING NUMBER  
5 20069751097 CAN RECEIVE CASH PRIZE WINNERS CHECK  
6 IMMEDIATELY! (Exhibit G)

7 E. Dear [JOHN DOE], This is your Official Notification that at 11:30  
8 this morning you, [JOHN DOE], were confirmed as a

9 As you might expect, Directive Report for the  
10 \$936,143.00 Payout is intended and only for you, [JOHN  
11 DOE]. (Exhibits I and J)

12  
13 17. The notifications bolster the impression that consumers have won a  
14 prize by stating that consumers have a limited amount of time within which to  
15 claim the cash prize, using the following or similar statements:

16 A. To initiate issuance of your Prize Check, you must RETURN THE  
17 ACCOMPANYING DOCUMENT before the deadline date specified  
18 on the enclosed according to the rules and terms herein. Failure to do  
19 so will invalidate the prize confirmation and result in forfeiture of the  
20 Check awaiting dispatch to you directly by secured mail. (Exhibits  
21 A, B, C, D)

22 B. Your prize is awaiting disbursement to you in accordance with all  
23 rules and conditions stated herein provided you reply before the  
24 expiration date. . . . Your reply request within 14 days is strongly  
25 urged to avoid misplacement of this documentation. (Exhibit B)

26 C. AS A GUARANTEED CASH PRIZE WINNER, YOU ARE  
27 REQUIRED TO SIGN AND RETURN RELEASE FORM 110(b)  
28







1 19. The notifications often contained language in small print stating  
2 vague terms that they are a reporting service that provides information on various  
3 sweepstakes. This language does not adequately inform the consumer that  
4 consumer has not won a prize.

5 20. Many consumers who received the personalized notifications  
6 believed they had won a substantial prize and as instructed, mailed the fees to  
7 the addresses in the Netherlands

8 21. Consumers who paid W K H to the fictitious companies did not  
9 receive the promised prize.

10 22. Many consumers who paid W K H later received numerous other  
11 deceptive personalized cash prize notifications from Defendants and other  
12 companies who purchased lists containing W K H F R Q V X P H U V S.H U V R Q D C

13 23. Defendants have received substantial sums from consumers in  
14 response to these personalized notifications

15  
16  
17 24. In July of 2013, Defendant Somenzi through IAS, his now dissolved  
18 corporation, entered into arrangements with Defendants MDI, Raff, and Gamberg  
19 who was operating through Printmail, his now inactive corporation, to print and  
20 mail the deceptive cash prize notifications to consumers under these  
21 arrangements. Defendant Gamberg provided or procured editing, printing, and  
22 mailing services for the deceptive cash prize notifications provided by Defendants  
23 Somenzi, MDI, and Raff

24 25. On numerous occasions Defendants Somenzi, MDI, and Raff  
25 provided or arranged to provide Gamberg the electronic templates of the Tm [(p)-3(ro)4(v)4

1 provided or arranged to provide to Defendant Gamberg work orders instructing  
2 him to print specified cash prize notifications in specified quantities and to mail  
3 them on specified dates. In the course of this arrangement, numerous  
4 occasions Defendants exchanged emails with each other discussing edits to be  
5 made to the language in the cash prize notifications and the outer envelopes as  
6 well as edits to be made to the layout of the notifications and envelopes. These  
7 emails often attached copies and maps of the final electronic templates to be  
8 used in the mailings.

9  
10 26. Defendants MDI and Raff also provided or arranged to provide to  
11 Defendant Gamberg electronic lists of consumers, including their names and  
12 D G G U H V V H V , to whom the deceptive cash prize notifications were to be  
13 mailed. Some lead lists contained the names of consumers who had previously  
14 responded to and paid money to participate in similar deceptive cash prize or other  
15 schemes.

16 27. The lead lists also contained an 11-digit number and corresponding  
17 bar code, referred to as 3 I L Q G H U F R G H ' D V V L J Q H G W R H D F K F  
18 Defendants ensured that a unique finder code was printed on each printed mailer  
19 corresponding to the consumer to whom the cash prize notification was sent. These  
20 finder codes enabled Defendants to track the effectiveness of each lead list and  
21 P D L O H U E D V H G R Q F R Q V X P H U V ¶ Q D P the lead D Q G D G G U  
22 which lead lists generated the highest response rate and income. Defendants  
23 refined and reused the lead lists and sold the lead lists to other direct marketers,  
24 many of whom then sent those consumers other deceptive offers and promotions.

25 28. Defendant Gamberg, acting as the agent of the other defendants,  
26 arranged for a Miami, Florida printer to produce the final approved versions of the  
27 cash prize notifications P H U J H F R Q V X P H U V ¶ Q D P the lead D Q G D G G U  
28



1 practices. Absent injunctive relief by this Court, Defendants are likely to continue  
2 to injury consumers, reap unjust enrichment, and harm the public interest.

3  
4 36. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this  
5 Court to grant injunctive and such other relief as the Court may deem appropriate  
6 to halt and redress violations of any provision of law enforced by the FTC. The  
7 Court, in the exercise of its equitable jurisdiction, may award ancillary relief,  
8 including rescission or reformation of contracts, restitution, the refund of monies  
9 paid, and the disgorgement of ill-gotten monies, to prevent and remedy any  
10 violation of any provision of law enforced by the FTC.  
11

12  
13 Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15  
14 U.S.C. § 53(b),

15 A. Enter a permanent injunction to prevent future violations of the  
16 FTC Act by Defendants;

17 B. Award such relief as the Court finds necessary to redress injury  
18 to consumers resulting from the violations, not limited to, rescission or reformation of contracts,  
19 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies.  
20

21 C. Award Plaintiff the costs of bringing this action, as well as  
22 such other and additional relief as the Court may determine to be just and proper.  
23

24 Dated: September \_\_, 2016

25  
26 Respectfully Submitted,

27 DAVID C. SHONKA  
28 Acting General Counsel

1 CHARLES A. HARWOOD  
2 Regional Director

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4 NADINE S. SAMTER  
5 Attorneyfor Plaintiff  
6 FEDERAL TRADE COMMISSION

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