

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DARLING ANGEL PIN CREATIONS, INC.,

a Florida corporation, also d/b/a Angel
Pin Creations,

SHELLY R. OLSON,

individually and as an officer of Darling Angel
Pin Creations, Inc., and

JUDITH C. MENDEZ,

individually and as an officer of Darling Angel
Pin Creations, Inc.,

Defendants.

Civ. No.

Judge

**COMPLAINT FOR
PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with the sale of an opportunity to work at home assembling decorative angel pins.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

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

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces 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.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

DEFENDANTS

6. Defendant Darling Angel Pin Creations, Inc. (“APC”), also doing business as Angel Pin Creations, is a Florida corporation with its principal place of business at 101 American Center Place, Suite 216, Tampa, Florida 33619. APC transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, APC has advertised, marketed,

distributed, or sold an opportunity to work at home assembling angel pins to consumers throughout the United States.

7. Defendant Shelly R. Olson (“Olson”) is the president of APC. At times material to this Complaint, acting alone or in concert with others, she has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Olson resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

8. Defendant Judith C. Mendez (“Mendez”) was the secretary of APC from February 3, 2003 through November 25, 2009. At times material to this Complaint, acting alone or in concert with others, she has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Mendez resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

9. At times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS ACTIVITIES

10. Since at least February 2003, Defendants have conducted an advertising campaign in newspapers and over the internet to deceptively market a work-at-home opportunity assembling decorative angel pins out of ribbon, wire, and beads.

11. Defendants place classified advertisements in the employment section of local newspapers throughout the United States. The advertisements seek workers to earn money assembling angel pins. The text below, which was placed in the employment section of a Michigan community newspaper on September 27, 2009, is typical of Defendants' ads:

Earn up to \$500 weekly assembling our angel pins in the comfort of your home.
No experience required.
Call 813-699-4038 or 813-425-4361 or visit www.angelpin.net

(Emphasis in original).

12. Those consumers who call Defendants hear a recorded message reiterating that consumers can earn up to \$500 per week and asking them to leave their names and addresses. In most, if not all, instances, consumers do not speak to a live person.

Consumers who leave their names and addresses in response to Defendants' message receive a flyer from Defendants explaining the opportunity and claiming that consumers can **"Enhance your income by hundreds of dollars a month. Up to \$500 weekly."**

13. Those consumers who go to Defendants' Web site in response to Defendants' classified advertisements find promises that the consumers can earn up to \$500 per week.

The Web site also contains testimonials from producers who purportedly earn hundreds of dollars per month.

14. Regardless of whether consumers contact Defendants by phone or through Defendants' Web site, Defendants claim to be seeking assemblers to make the base of a decorative angel. In the flyer and on the Web site, Defendants tell consumers that the consumers do not need any experience or special tools and that there is no sewing involved in the assembly process.

15. On the Web site, Defendants describe assembling the pins as something that "[t]he average person can handle with no difficulty." Defendants' Web site also promises access to live customer support should consumers need help assembling the sample angel, stating "[w]e want you to succeed!"

16. Defendants tell each consumer that the consumer must buy a "starter kit." Defendants claim that the kit comes with a completed angel for consumers to use as a model, instructions on how to make the angel, and enough supplies to make one angel. Since 2007, Defendants have charged between \$15.99 and \$22.97 (including shipping and handling) for the starter kit.

17. Defendants require each consumer to assemble a sample angel and have Defendants approve it before the consumer will be paid for producing angels.

18. The first time a consumer sends Defendants a sample angel for Defendants to inspect, the consumer, who has already paid for a starter kit, must pay a registration fee of \$29.95. To pay the registration fee, a consumer must complete a "Supply Order Form." On

this form, Defendants offer consumers the opportunity to purchase, in advance, supplies with which to make angels once they are approved. Many consumers, assuming Defendants will approve their sample angel, choose to purchase supplies, paying Defendants anywhere from \$56 to \$520 for the supplies.

19. In nearly all instances, consumers' sample angels are rejected by Defendants, no matter how skillfully crafted.

20. A few persistent consumers do finally obtain approval to begin producing. In numerous of these instances, the consumers have a hard time obtaining any payment from Defendants and do not make hundreds of dollars per month or \$500 per week.

21. In most instances, consumers who pay money to Defendants for the opportunity to assemble angel pins do not make any money.

22. In nearly all instances, consumers who pay Defendants for the opportunity to assemble angel pins do not make hundreds of dollars per month or \$500 per week.

VIOLATIONS OF THE FTC ACT

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

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

COUNT ONE

25. In the course of marketing, promoting, offering for sale, and selling their work at home employment program, Defendants represent, directly or indirectly, expressly

or by implication, that purchasers of their work at home scheme are likely to earn substantial income.

26. The representation set forth in Paragraph 25 is false, or was not substantiated at the time the representation was made, or both.

27. Therefore, Defendants' making of the representation as set forth in Paragraph 25 of this Complaint constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

28. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

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

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief including, but not limited to, a preliminary injunction and an order freezing assets;

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

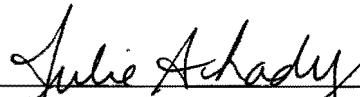
C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

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

DATE: February 2, 2010

Respectfully submitted,

WILLARD K. TOM
General Counsel



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