

IN THE MATTER OF

SHERMAN G. SMITH

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3668. Complaint, June 12, 1996--Decision, June 12, 1996*

This consent order prohibits, among other things, a Utah-based individual doing business as Starr Communications from misrepresenting, in advertisements for a work-at-home business, the income, earnings, or sales from any business opportunity and prohibits any claims concerning past, present, or future earnings unless, at the time of making the representation, it possesses competent and reliable evidence to substantiate the claim.

Appearances

For the Commission: *Nicholas Franczyk, C. Steven Baker and Charulata Pager.*

For the respondent: *Robert Archuleta, Salt Lake City, UT.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Sherman G. Smith, individually and doing business as Starr Communications ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Sherman G. Smith is an individual doing business as Starr Communications. His principal office or place of business is located at 78 West Broadway, No. 2007 North, Salt Lake City, Utah.

PAR. 2. Respondent is engaged in the advertising, promotion, offering for sale, sale, and distribution of the "U.S. Government Tracer Business Program" to the public.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated or has caused to be disseminated advertisements, including advertisements through the Internet, for the "U.S. Government Tracer Business Program." The advertisements include, but are not necessarily limited to, the attached Exhibit 1, which states, in part:

Would You Like To Make \$800 - \$4,800 Per Week Or More,
Working At Home? Well you can!

* * *

You can help people get refunds due them after they've paid off their mortgages. It's extremely easy! You can do it from home as an Independent U.S. Government Tracer.

* * *

There's no shortage of refund recipients. I've been a "Govt. Tracer" since 1989, making an average of \$5,423.72 per month. And I do this mostly part time!!! ... about 4 hours a day, 3 to 4 days a week.

* * *

I'll show you how to make from \$200 to as much as \$1,200 every time you help someone get their money back.

* * *

The average refund is \$800.00 to \$1,500.00, which makes your 20% - 30% fee equal to \$240.00 to \$400.00. ... The highest refunds are around \$4,000.00 your fee would be around \$1,200.00.

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit 1, respondent has represented, directly or by implication, that the amount of money represented by these statements is representative, or typical, of what individuals who purchase the "U.S. Government Tracer Business Program" will generally achieve.

PAR. 6. In truth and in fact, the amount of money represented by these statements is not representative, or typical, of what individuals who purchase the "U.S. Government Tracer Business Program" will generally achieve. Therefore, the representation set forth in paragraph five was, and is, false and misleading.

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit 1, respondent has represented, directly or by implication, that at the time he made the representation set forth in paragraph five, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 8. In truth and in fact, at the time he made the representation set forth in paragraph five, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph seven was, and is, false and misleading.

PAR. 9. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

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EXHIBIT 1

Subj.: \$800 - \$4800 /wk From Home
Date: 95-06-29 16:11:56 EDT
From: JStarrComm

Would You Like To Make \$800 - \$4,800 Per Week Or More,
Working At Home? Well You can!!

Its extremely easy and you can do it in the comfort of your own home.
Full or Part Time, No exp. needed.
For a FREE report by E-mail, E-mail your name and address to:

HUD_Info@mailback.com (for an immediate response)
or to: JStarrComm (here on America OnLine)
(Just hit<Ctrl> M right now!)

or browse our web page at: <http://www.intele.net/~aimies>

Subj: Home Business Opportunity
Date:
From:
To:
BCC:

Dear Friend,

Thanks for your interest!!

I've tried to keep it simple and explain as much as I can in this free e-mail report.

You can help people get refunds due them after they've paid off their mortgages. It's extremely easy! You can do it from home as an Independent U.S. Government Tracer.

Most of these people have no idea that the Government even owes them money. You get paid to find them (it's easy and I'll show you how), tell them, and fill out one form.

*** Set Your Own Hours ***

Your hours are up to you. _You_Get_Paid_ to help people get their own money back.

*** Get paid for giving people their own money ***
What could be easier?

There's no shortage of refund recipients. I've been a "Govt. Tracer" since 1989, making an average of \$5,423.72 per month. And I do this mostly part time!!! I

don't work another job, and I only work at this about 4 hours a day, 3 to 4 days a week.

I hope you get as excited about this as I am, there's a lot of money to be made if you just have the desire to make it!

I'll show you how to make from \$200 to as much as \$1,200 every time you help someone get their money back.

*** You can do this from any state, for any state ***

First, please read everything carefully so you completely understand. After you have, if you have any questions, please feel free to call me, Jaimie, on my "direct personal line" at (800) 672-0287, after 2:00pm MT (for best results).

Second, everything I present here is legal, moral, practical, and can be verified by the Federal Government. In fact... They want you to do this. That's why they set this program up in the first place. If you'd like to check it out you can call them at (703) 487-4070 or (703) 235-8117.

*** Here's How It Works ***

Everyone who purchases a FHA/HUD home has to pay a MMI or MIP insurance policy on the loan. This does two things. It enables them to borrow with less down and at the same time, guarantees the lender that if the borrower defaults on the loan, the Federal Government (HUD/FHA) will step in and pay the loan. This helps millions of people buy homes who otherwise never could.

Each borrower is told if they pay back the loan in good faith, they're entitled to a refund on the MMI or MIP insurance policy. When they pay off their loan, they forget to call and ask for their refund.

HUD and FHA tries to contact them by mail, but if they don't respond to the letter, the money goes in a fund for these refund recipients. For years the money has been piling up and today there are MILLIONS and MILLIONS of UNCLAIMED DOLLARS in the fund!

*** Here's A Little More Information ***

Finally, in 1986, the government stepped in and told HUD/FHA that they had to figure out a way to get the money back to the people.

Well, HUD/FHA didn't want to eat the tremendous administrative costs to do that, so HUD/FHA came up with Great Way to solve the problem.

They decided to let anyone who wanted a chance to earn some extra money or go into business for themselves be a third party processor. You're allowed to find them, let them know they have an unclaimed refund owed to them, and receive a reasonable commission for doing so.

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The Catch is. . .
They Won't Teach you How To Do It.
But I will !!!

I'll show you, step-by-step, how to become a processor.
I'll show you how to contact the people who have money due them.
I'll tell you exactly what to say and . . . this is _Extremely_Important_

*** How to Do the Paperwork ***
(there's very little but it must be done right)
And . . .
How to Make Lots of Money Doing So

This isn't some "hokey" -- "Get Rich Quick Scheme." This is a STEADY, HONEST, AND LUCRATIVE MONTHLY INCOME from providing a real (but easy and necessary) service.

It's Actually Kind of Fun!

Plus. . . You Get the Freedom of Setting Your Own Hours!!!
Just like I do. :)

Everything you need to get started is included in my easy to use software package.

Here's the most common questions people ask me when they find out I'm in this exciting sort of "Good Guy -- Bounty Hunter" line of work.

Question:	Is it legal?
Answer:	Yes, In every way.
Question:	What's stopping me from ordering the list from HUD/FHA myself and becoming a processor?
Answer:	Nothing! But . . . there is absolutely no way you'll know -- How to contact these people -- What to say -- How to do the paperwork or . . . How to Get Paid RIGHT AWAY! I've already worked all of that out for you. Which will save you a lot of time and aggravation.
Question:	What is the average refund?
Answer:	The _average_ refund is \$800.00 to \$1,500.00, which makes your 20% - 30% fee equal to \$240.00 to \$400.00. If you wanted to, you could work only on the cases where the individual has over \$1,200.00 coming back. The highest refunds are around \$4,000.00 your fee would be around \$1,200.00.
Question:	How long will it take from the day I begin till I start making money?
Answer:	You can start making money the same day, but it will _usually_ take a week or so to actually get a check in your hands. I'll show you how to get paid the same day you disclose the information to the individual.

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- Question: Do I have to do a lot of mailing?
 Answer: No. I'll teach you how to do most of the work (75%) over the phone.
- Question: How many people have money owed to them?
 Answer: When you order your state list you'll see that there are thousands of people with money due them.
 It depends which state you're going to work in. If you order, say, the California list, you'll see it could take forever to get through them all.
 Literally Millions of dollars are owed to thousands of people as a result of this program.
- Question: Do I get paid by HUD/FHA or by the people who have money owed them?
 Answer: By the people. I'll explain how to do that, step-by-step. It's very simple
 In no case will HUD/FHA make out a separate check payable to you. Some other programs claim that the government will send checks directly to you.
 While this isn't a lie, it's a very difficult (and totally unnecessary) process to go through. I'll show a much easier and quicker way to get your money.
- Question: Does HUD/FHA require you to be licensed?
 Answer: No. HUD/FHA requires no license because you're not dealing directly with these funds.
- Question: This sounds too good to be true, Is it?
 Answer: I want you to know everything is exactly as I say. If you like. You can verify everything through the Federal Government by calling them at (703) 487-4070, and call me if you have any other questions at (800) 672-0287.
 This truly is a great way to make a lot of money and help people at the same time.

The "Freedom of Information Act" enables HUD to release the names of people who haven't claimed their refunds. And made this program possible.

These people aren't hiding! They just aren't aware that they are owed this money!

And. . . There are Tens of Thousands of them. People who have money due them. And you. . . can make money just helping them get the money they rightly deserve.

I'm sure you can see the potential here, can't you?

This is legitimate business opportunity. There is a lot of money to be made and it's not difficult work at all! You just need to apply yourself and do it. Nothing could be simpler.

PLUS. . . I'm always available to assist you, if you have any questions. and best of all . . .

* * * ITS GUARANTEED * * *

It's completely, 100% money back Guaranteed !!! If after trying the program, it doesn't work exactly the way I've stated, or you can't make a reasonable income using the program, you will be entitled to a full refund of your program price.

And Here's Even More Good News. . .

If you order your U.S. Government Tracer Business Program within the next 15 days, you'll receive a 25% discount off the regular price of \$56.00! You'll Save \$14.00!!

To get your complete Tracer Business Software Package on How To Run this Business, which includes everything you need to get started, for just \$42.00, you have several easy options:

- Phone Check: 1) Have your check book handy.
2) Call Jaimie @ 1-800-672-0287, 3 p.m. to 11 p.m. MST, Mon-Sat.
- E-Mail Check: 1) E-Mail your name and address EXACTLY as they appear on checks, your phone number for verbal authorization, banks name and address as it appears on checks.
2) The amount of the check.
3) The entire number across the bottom of the check, (use dash for blank spaces). And the fractional number up near the check number. Please indicate like this: 31-73/1240
4) Send E-Mail to any of the following:
JaimieS@intele.net
JStarrComm@aol.com
74737.1005@compuserve.com
- FAX Check 1) Make out a check to: Starr Comm. Be sure to include delivery instructions, either a home address or an e-mail address.
2) Then, simply fax your check and delivery info to: (801) 264-8647
- Credit Card: 1) Use your VISA, or MasterCard.
2) Phone, E-mail, or U.S. Mail your order.
3) Include your name EXACTLY as it appears on the card, your address, your phone number for verbal authorization, and the billing address for that card.
4) The amount of the charge.
5) The credit card number and expiration date.
6) Don't forget to sign it!!
- U.S. Mail 1) Use the handy order form at the end of this file and send a check or money order for just \$42.00 + \$3.00 shipping and handling to:
STARR COMM.
4516 S. Triton Dr., Suite D
Murray, Utah 84107

Thanks again for your interest,

Jaimie Starr

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P.S. I hope you decide to take me up on this offer and get your complete software package to get started making money today. Because, You really have everything to gain and nothing to lose. It's an easy way to make good money right from your home. (I've been doing it for years.) and . . . it's 100% guaranteed. But if you're still not sure it's right for you, Please feel free to call me on my "direct personal line" at (800) 672-0287.

P.P.S. You Can Save Even More -- You can save the shipping charges, and get the program instantly -- via E-mail. It saves me having to stuff and mail an envelope, plus you can get going right away. Just let me know with your order.

But remember to let me know about your system too (i.e. IBM Comp., Mac, Windows, Etc.).

Thanks! :)

-----ORDERFORM-----

Name _____

ScreenName _____

Address _____

City: _____ State: _____

Zip: _____

Name on Credit Card: _____

Card Number: _____

Exp. Date: _____ Amount \$ _____

Signature: _____

Phone (_____) _____

System: _____

If you are seriously interested in being your own boss, working at home, and making good money then this opportunity is for you! Remember, this special discount offer expires in 15 days.

So . . .

DON'T DELAY . . . ORDER TODAY!

P.S. I also can show you how you can accept checks by E-mail/Fax/Phone.
E-Mail for more information.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Chicago Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, his counsel, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and no comments having been filed thereafter by interested parties pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Sherman G. Smith is an individual doing business as Starr Communications with his principal office or place of business at 78 West Broadway, No. 2007 North, Salt Lake City, Utah.
2. The acts and practices of the respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I.

It is ordered, That respondent Sherman G. Smith, his agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of the "U.S. Government Tracer Business Program," or any other business opportunity, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, the past, present, or future profits, earnings, income, or sales from such business opportunity.

II.

It is further ordered, That respondent Sherman G. Smith, his agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of the "U.S. Government Tracer Business Program," or any other business opportunity, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, the past, present, or future profits, earnings, income, or sales from such business opportunity, unless at the time of making such representation respondent possesses and relies upon competent and reliable evidence that substantiates the representation.

III.

It is further ordered, That for five (5) years after the last date of dissemination of any representation covered by this order, respondent, or his successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations, or other evidence in his possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

IV.

It is further ordered, That respondent shall:

A. Within thirty (30) days from the effective date of this order deliver a copy of this order to each of his officers, agents, representatives, and employees who are engaged in the preparation or placement of advertisements, promotional materials or other such sales materials covered by this order.

B. For a period of ten (10) years from the effective date of this order deliver a copy of this order to each of his future officers, agents, representatives, and employees who are engaged in the preparation or placement of advertisements, promotional materials or other such sales materials covered by this order, within three (3) days after the person assumes such position.

V.

It is further ordered, That from the date this order becomes final, respondent shall notify the Commission within thirty (30) days of the discontinuance of his present business or employment and of each affiliation with a new business or employment. Each notice of affiliation with any new business or employment shall include his new business address and telephone number, current home address, and a statement describing the nature of the business or employment and the duties and responsibilities.

VI.

It is further ordered, That within sixty (60) days after service of this order, and at such other times as the Commission may require, respondent shall file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

VII.

This order will terminate on June 12, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Complaint

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IN THE MATTER OF

ROBERT SERVISS

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3669. Complaint, June 12, 1996--Decision, June 12, 1996

This consent order prohibits, among other things, a Connecticut-based individual doing business as Excel Communications from misrepresenting, in advertisements for a work-at-home business, the income, earnings, or sales from any business opportunity and prohibits any claims concerning past, present, or future earnings unless, at the time of making the representation, it possesses competent and reliable evidence to substantiate the claim.

Appearances

For the Commission: *Nicholas Franczyk, C. Steven Baker and Charulata Pager.*

For the respondent: *Walter Diercks, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Robert Serviss, individually and doing business as Excel Communications ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Robert Serviss is an individual doing business as Excel Communications. His principal office or place of business is located at 2169 Summer Street, Suite 115, Stamford, Connecticut.

PAR. 2. Respondent is engaged in the advertising, promotion, offering for sale, sale, and distribution of the "ON-LINE Profits Made Easy" business opportunity to the public.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.