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IN THE COURT OF COMMON PLEAS OF DELAWARE COUNTY, OHIO

STATE OF OHIO, *ex rel.*)
MICHAEL DEWINE)
ATTORNEY GENERAL OF OHIO)
30 East Broad Street, 14th Floor)
Columbus, Ohio 43215-3428)

Plaintiff,)

vs)

CTI GROUP, LLC)
1500 Rosecrans Avenue, Suite 500)
Manhattan Beach, California 90266)

CASE NO. **12 - CVH - 050505**
JUDGE **W. DUNCAN WHITNEY**

COMPLAINT,
REQUEST FOR DECLARATORY
AND INJUNCTIVE RELIEF,
DAMAGES AND CIVIL PENALTIES

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AN ANTONIO P.L.S.
CLERK
COMMON PLEAS COURT
DELAWARE COUNTY, OHIO
FILED

JURISDICTION

1. Ohio Attorney General Michael DeWine, brings this action pursuant to the authority vested in him by the Consumer Sales Practices Act ("CSPA"), Ohio Revised Code ("R.C.") 1345.01 et seq., the Telephone Solicitation Sales Act ("TSSA," R.C. 4719.01 et seq., and R.C. 109.87.
2. The actions of the Defendant CTI Group, LLC occurred in Delaware County and other counties in the State of Ohio, and as set forth below are in violation of the CSPA, R.C. 1345.01 et seq., the TSSA, R.C. 4719.01 et seq. and R.C. 109.87.
3. The actions of the Defendant as set forth below are in violation of the Telephone Consumer Protection Act ("TCPA," 47 United States Code Service ("U.S.C.S.") 227 and 47 Code of Federal Regulations ("C.F.R.") 64.1200. Attorney General Michael DeWine brings this action for violations of the federal TCPA in state court pursuant to R.C. 109.87 which authorizes the Attorney General to bring an action in a court of common

pleas against a seller or telemarketer who violates any provision of federal acts or rules as defined by R.C. 109.87(A)(1).

DEFENDANT

4. Defendant CTI Group, LLC is a limited liability company organized under the laws of the State of California with its principal place of business at 1500 Rosecrans Avenue, Suite 500, Manhattan Beach, California 90266.
5. Defendant is not registered with the Ohio Secretary of State to do business in the State of Ohio.
6. Defendant is a “supplier” as it was, at all times relevant herein, engaged in the business of effecting “consumer transactions” by soliciting, offering for sale and selling investment and trading-related software programs or products, and other household goods and/or services to “consumers” in the State of Ohio, including Delaware County, for purposes that were primarily personal, family or household in nature, as those terms are defined in the CSPA, R.C. 1345.01(A) (C) and (D).
7. Defendant is a “seller” and/or “telemarketer” as those terms are defined in C.F.R. 64.1200(f)(7) and (9) as Defendant is the entity on whose behalf telephone calls or messages are initiated for the purpose of encouraging the purchase or rental of goods or services, which is transmitted to any person.
8. Defendant engaged in “telephone solicitations” as that term is defined in 47 U.S.C. 227(a)(4) of the TCPA.
9. Defendant is a “telephone solicitor” as that term is defined in R.C. 4719.01(A)(8), as Defendant was at all times relevant herein, engaged in telephone solicitations directly or through one or more salespersons from a location outside this state, to persons in this state.

10. Defendant initiated "telephone solicitations" to "purchasers," as it was at all times relevant herein, engaged in "communications" initiated on behalf of "telephone solicitors" or "salespersons" to induce persons to purchase "goods or services," as those terms are defined in the TSSA, R.C. 4719.01(A).

STATEMENT OF FACTS

11. Defendant is, and has been at all relevant times, engaged in the business of soliciting, offering, and selling investment and trading software programs and products in the State of Ohio, including Delaware County.
12. Some of the trading or investing software programs that the Defendant sold to Ohio consumers were "automated robot trading software" and "Victory S&P E-Mini Trading Programs."
13. Defendant, either directly or as a result of a third party acting on its behalf, engaged in patterns or practices of initiating telephone solicitations to residential telephone subscribers in the State of Ohio, whose telephone numbers were listed on the National Do Not Call Registry.
14. Defendant, either directly or as a result of a third party acting on its behalf, engaged in patterns or practices of initiating telephone solicitations to residential telephone subscribers in the State of Ohio, whose previous requests not to receive calls from that entity were not honored within a reasonable time frame, not to exceed thirty days, from the date such request was made.
15. Despite having received correspondence from the Ohio Attorney General in November 2011 and again in December 2011 regarding compliance with the TSSA, Defendant is not and never has been registered as a "telephone solicitor" with the Ohio Attorney General's Office as required by the TSSA, 4719.02(A).

16. Defendant did not obtain, nor file with the Ohio Attorney General, a surety bond issued by a surety company authorized to do business in the State of Ohio as required by the TSSA, R.C. 4719.04.
17. After convincing consumers to purchase its software programs over the phone, Defendant submitted charges to Ohio purchasers' bank or credit card accounts without having obtained from purchasers original copies of written confirmations signed by the purchasers which complied with TSSA, R.C. 4719.07(C) or without being exempt from the requirements to obtain written confirmations pursuant to the TSSA, R.C. 4719.07(H).
18. Defendant made false or misleading statements to consumers regarding the amount of money that consumers can make by using its products and false or misleading statements regarding its reputation, claiming that the company had no consumer complaints filed against it, in an attempt to bolster its credibility. These statements were used to induce consumers to purchase its goods or services.
19. Although the consumers were told by the Defendant that there was a money-back guarantee, consumers who purchased software from the Defendant and decided to cancel within days of the transaction were told by the Defendant that they could not receive refunds for at least a year from the purchase date. Ultimately, these consumers never received refunds.

COUNT ONE

FAILURE TO COMPLY WITH DO NOT CALL LAWS

20. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs one through nineteen (1-19) of this Complaint.
21. Defendant violated the CSPA, R.C. 1345.02(A) and 1345.03(A), and R.C. 109.87(B)(1) by engaging in patterns or practices of initiating telephone solicitations to residential

- telephone subscribers, including subscribers in Delaware County and other counties in the State of Ohio, whose telephone numbers were listed on the National Do Not Call Registry. Defendant's conduct is prohibited by the TCPA, 47 U.S.C. 227 and 47 C.F.R. 64.1200(c)(2).
22. Defendant violated the CSPA, R.C. 1345.02(A) and 1345.03(A), and R.C. 109.87(B)(1) by engaging in patterns or practices of initiating telephone solicitations to residential telephone subscribers, including subscribers in Delaware County and other counties in the State of Ohio, whose previous specific requests to not receive calls from that entity were not honored within a reasonable time frame, not to exceed thirty days from the date such request was made. Defendant's conduct is prohibited by the TCPA, 47 U.S.C. 227 and 47 C.F.R. 64.1200(c)(2) and (d)(3).
23. Pursuant to R.C. 1345.07, the Plaintiff is seeking civil penalties for violations of the CSPA. The acts or practices of the Defendant as described herein have been previously determined by an Ohio court to violate R.C. 1345.01 et seq. Defendant committed said violations after the decision was available for public inspection pursuant to R.C. 1345.05(A)(3).
24. Pursuant to R.C. 109.87(D)(1), the Plaintiff is seeking damages on behalf of Ohio consumers in the amount of five hundred dollars (\$500) per violation, or fifteen hundred dollars (\$1500) for any willful and knowing violation.

COUNT TWO

FAILURE TO COMPLY WITH OHIO TELEPHONE SOLICITOR LAW

25. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs one through twenty-four (1-24) of the Complaint.

26. Defendant violated the CSPA, R.C. 1345.02(A) and the TSSA, R.C. 4719.02 (A) by acting as a telephone solicitor in the State of Ohio without first having obtained a certificate of registration.
27. Defendant violated the TSSA, R.C. 4719.04 (A) by acting as a telephone solicitor without first having obtained, or filed with the Ohio Attorney General, a surety bond issued by a surety company authorized to do business in the State of Ohio.
28. Defendant violated the CSPA, R.C. 1345.02(A) and the TSSA, R.C. 4719.07(C) by submitting charges to Ohio purchasers' bank or credit card accounts without having obtained from purchasers original copies of written confirmations signed by the purchasers which complied with TSSA, R.C. 4719.07(F) and (G) or without being exempt from the requirements to obtain written confirmations pursuant to R.C. 4719.07(H).
29. Defendant violated the CSPA, R.C. 1345.02(A) and the TSSA, R.C. 4719.08(G) by making false or misleading statements to induce a purchaser to pay for goods and services.
30. Such acts or practices have been previously determined by an Ohio court to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after the decision was available for public inspection pursuant to R.C. 1345.05(A)(3).
31. Pursuant to R.C. 1345.07 and R.C. 4719.12, the Plaintiff is seeking civil penalties for violations of the CSPA and the TSSA.

COUNT THREE

FAILURE TO REGISTER WITH THE OHIO SECRETARY OF STATE

32. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs one through thirty-one (1-31) of this Complaint.

33. Defendants committed unfair or deceptive acts or practices in violation of R.C. 1345.02(A) and R.C. 1329.01 by failing to register with or report to the Ohio Secretary of State.
34. Such acts and practices have been previously determined by Ohio courts to violate the CSPA. Defendants committed said violation after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

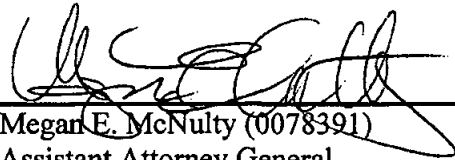
WHEREFORE, Plaintiff requests that this Court:

1. ISSUE an order declaring that the Defendant's acts and practices, as described herein, violated the CSPA, R.C. 1345.01 et seq., the TSSA, R.C. 4719.01 et seq., and R.C. 109.87.
2. ISSUE a permanent injunction enjoining Defendant, its agents, servants, employees, successors or assigns, and all persons acting in concert and participation with it, directly or indirectly, through any corporate device, partnership, or other association, under these or any other names, from engaging in the acts and practices which violate the CSPA, R.C. 1345.01 et seq., the TSSA, R.C. 4719.01 et seq., and R.C. 109.87.
3. AWARD Five Hundred Dollars (\$500) to each person in Ohio who received a telephone solicitation from the Defendant in violation of R.C. 109.87(B)(1) as described herein, pursuant to 47 U.S.C. 227(g)(1), or three times that amount if the court finds that Defendant's actions were committed willfully and knowingly. Plaintiff may recover these damages on behalf of Ohio consumers pursuant to R.C. 109.87(D)(1).

4. GRANT A JUDGMENT against the Defendant in an amount sufficient to reimburse all consumers found to have been damaged by the Defendant's unfair, deceptive, and unconscionable acts and practices of which Plaintiff complains.
5. ASSESS, FINE and IMPOSE upon Defendant civil penalties as provided by R.C. 1345.07 for violations of the CSPA described herein.
6. ASSESS, FINE and IMPOSE upon Defendant civil penalties as provided by R.C. 4719.12 for violations of the TSSA as described herein.
7. GRANT Plaintiff his costs incurred in bringing this action.
8. GRANT such other relief as the court deems to be just, equitable and appropriate.
9. ORDER Defendant to pay all court costs associated with this matter.

Respectfully submitted,

MICHAEL DEWINE
Attorney General of Ohio



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