

MAY 19, 2008

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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

Case No. **08-21433-CIV-JORDAN/MCALILEY**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ALTERNATEL, INC.; G.F.G. ENTERPRISES LLC,  
also d/b/a MYSTIC PREPAID; VOICE PREPAID,  
INC.; VOICE DISTRIBUTORS, INC.; TELECOM  
EXPRESS, INC.; LUCAS FRIEDLANDER; MOSES  
GREENFIELD; NICKOLAS GULAKOS; and  
FRANK WENDORFF,

Defendants.

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**PLAINTIFF FEDERAL TRADE COMMISSION'S MEMORANDUM OF LAW  
IN SUPPORT OF EMERGENCY MOTION FOR TEMPORARY RESTRAINING ORDER  
AND PRELIMINARY INJUNCTION WITH OTHER EQUITABLE RELIEF**

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## INTRODUCTION<sup>1</sup>

Plaintiff Federal Trade Commission (“FTC”) moves this Court for a temporary restraining order (“TRO”) and preliminary injunction with other equitable relief to put an immediate end to deceptive business practices that have defrauded consumers of millions of dollars. Individual Defendants Nickolas Gulakos, Moses Greenfield, Lucas Friedlander, and Frank Wendorff together operate a common enterprise that distributes prepaid calling cards through corporate defendants Alternatel, Inc., G.F.G. Enterprises LLC, also d/b/a Mystic Prepaid, Voice Prepaid, Inc., Voice Distributors, Inc., and Telecom Express, Inc. Defendants market their cards to recent immigrants in Florida, New Jersey, Pennsylvania, Massachusetts, New Hampshire, and Rhode Island, who rely on such cards to call friends and family outside the United States. In marketing their cards, Defendants represent that consumers will receive a specific number of calling minutes to particular international destinations. These representations are false: consumers who purchase Defendants’ cards typically receive far fewer minutes than Defendants advertise. In addition, Defendants fail to disclose, or to disclose adequately, the fees associated with their cards. Defendants’ conduct violates Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

Defendants have continued their deceptive conduct despite an investigation into the marketing practices of one of the defendants — Alternatel — initiated by the Florida Attorney General in July 2007;<sup>2</sup> a private lawsuit alleging deceptive marketing practices by three of the

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<sup>1</sup>The FTC submits three volumes of exhibits in support of this motion, which include declarations and attachments thereto. Exhibits are cited with the abbreviation “FTC Ex.” followed by the exhibit number. Declarations are then cited by paragraph number, while attachments to declarations are cited by letter and page number.

<sup>2</sup>FTC Ex. 1, ¶ 44, Att. KK, p. 638; *see also* Press Release, “McCollum Issues Subpoenas to Prepaid Calling Card Industry,” dated July 27, 2007, *available at*

(continued...)

