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7
8 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
9 IN AND FOR CARSON CITY

10 STATE OF NEVADA, OFFICE OF THE ATTORNEY
11 GENERAL, ex. rel. CATHERINE CORTEZ MASTO,
Attorney General,

12 Plaintiff,

CASE NO. 09-0C00431 1B

13 v.

DEPT. NO. 1

14 THE PAYMENT PEOPLE, INC., d.b.a. UNIVERSAL
15 CALL PLAN, INC., SURE CONNECTION LD, INC.,
LONG DISTANCE DEPOT, INC., FLAT RATE LONG
16 DISTANCE, INC., LONG DISTANCE MART, INC.,
XOOM TELECOMMUNICATIONS, INC., CALL
17 DIRECT, INC., CALL FOR LESS, INC.,
CONNECT DIRECT LD, INC., BLUE SKY
18 LONG DISTANCE, INC., COAST TO COAST
LONG DISTANCE, INC., FIRST CHOICE
19 LONG DISTANCE, INC., BUNDLED RATE
LONG DISTANCE INC., SMART DIAL, INC.,
20 JEFF McKAY, BRENDA McKAY, DONOVAN
MCNELLY, and DOES 1-10 in their individual
21 and/or corporate capacities,

22 Defendants.
23 _____/

24 **COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF**
25 **(Exempt from Arbitration - NAR Rule 3(A) Equitable Relief Sought)**

26 1. COMES NOW, the Plaintiff, STATE OF NEVADA, by and through its attorneys,
27 CATHERINE CORTEZ MASTO, Attorney General, and John R. McGlamery, Deputy Attorney
28 General, alleges as follows:

1 PEOPLE, INC. "full authority to act in any manner" to conduct business as LONG DISTANCE
2 DEPOT, INC., and transacts business in Carson City and other locations throughout Nevada.

3 14. FLAT RATE LONG DISTANCE, INC., is a Nevada Corporation, operated by THE
4 PAYMENT PEOPLE, INC. subject to a "special power of attorney" granting THE PAYMENT
5 PEOPLE, INC. "full authority to act in any manner" to conduct business as FLAT RATE LONG
6 DISTANCE, INC., and transacts business in Nevada.

7 15. LONG DISTANCE MART, INC., is a Nevada Corporation, operated by THE
8 PAYMENT PEOPLE, INC. subject to a "special power of attorney" granting THE PAYMENT
9 PEOPLE, INC. "full authority to act in any manner" to conduct business as LONG DISTANCE
10 MART, INC., and transacts business in Nevada.

11 16. XOOM TELECOMMUNICATIONS, INC., is a Nevada Corporation, operated by
12 THE PAYMENT PEOPLE, INC. subject to a "special power of attorney" granting THE
13 PAYMENT PEOPLE, INC. "full authority to act in any manner" to conduct business as XOOM
14 TELECOMMUNICATIONS, INC., and transacts business in Nevada.

15 17. CALL DIRECT, INC., is a Nevada Corporation, operated by THE PAYMENT
16 PEOPLE, INC. subject to a "special power of attorney" granting THE PAYMENT PEOPLE,
17 INC. "full authority to act in any manner" to conduct business as CALL DIRECT, INC., and
18 transacts business in Nevada.

19 18. CALL FOR LESS, INC., is a Nevada Corporation, operated by THE PAYMENT
20 PEOPLE, INC. subject to a "special power of attorney" granting THE PAYMENT PEOPLE,
21 INC. "full authority to act in any manner" to conduct business as CALL FOR LESS, INC., and
22 transacts business in Nevada.

23 19. CONNECT DIRECT LD, INC., is a Nevada Corporation, operated by THE
24 PAYMENT PEOPLE, INC. subject to a "special power of attorney" granting THE PAYMENT
25 PEOPLE, INC. "full authority to act in any manner" to conduct business as CONNECT DIRECT
26 LD, INC., and transacts business in Nevada.

27 20. BLUE SKY LONG DISTANCE, INC., is a Nevada Corporation, operated by THE
28 PAYMENT PEOPLE, INC. subject to a "special power of attorney" granting THE PAYMENT

1 PEOPLE, INC. “full authority to act in any manner” to conduct business as BLUE SKY LONG
2 DISTANCE, INC.

3 21. COAST TO COAST LONG DISTANCE, INC., is a Nevada Corporation, operated by
4 THE PAYMENT PEOPLE, INC. subject to a “special power of attorney” granting THE
5 PAYMENT PEOPLE, INC. “full authority to act in any manner” to conduct business as COAST
6 TO COAST LONG DISTANCE, INC.

7 22. FIRST CHOICE LONG DISTANCE, INC., is a Nevada Corporation, operated by
8 THE PAYMENT PEOPLE, INC. subject to a “special power of attorney” granting THE
9 PAYMENT PEOPLE, INC. “full authority to act in any manner” to conduct business as FIRST
10 CHOICE LONG DISTANCE, INC.

11 23. BUNDLED RATE LONG DISTANCE, INC., is a Nevada Corporation, operated by
12 THE PAYMENT PEOPLE, INC. subject to a “special power of attorney” granting THE
13 PAYMENT PEOPLE, INC. “full authority to act in any manner” to conduct business as
14 BUNDLED RATE LONG DISTANCE, INC.

15 24. SMART DIAL, INC., is a Nevada Corporation, operated by THE PAYMENT
16 PEOPLE, INC. subject to a “special power of attorney” granting THE PAYMENT PEOPLE,
17 INC. “full authority to act in any manner” to conduct business as SMART DIAL, INC.

18 **DEFENDANTS BUSINESS PRACTICES**

19 25. Pursuant to the records of the Nevada Secretary of State, the President and
20 Director of defendant THE PAYMENT PEOPLE, INC. is defendant JEFF McKAY. The
21 Treasurer of defendant THE PAYMENT PEOPLE, INC. is defendant BRENDA McKAY. The
22 Treasurer of defendant THE PAYMENT PEOPLE, INC. is defendant DONOVAN (DON)
23 McNELY.

24 26. Plaintiff is informed and believes that between on or about April 2008 to date,
25 defendant THE PAYMENT PEOPLE, INC. through defendants JEFF McKAY and DONOVAN
26 McNELY, operated and continues to operate a series of telecommunication businesses via
27 unlimited powers of attorney which all allegedly provide unlimited dial-around long distance
28 telephone services for a flat rate of \$19.95 per month. Those telecommunication companies

1 are defendants UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD, INC., LONG
2 DISTANCE DEPOT, INC., FLAT RATE LONG DISTANCE, INC., LONG DISTANCE MART,
3 INC., XOOM TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL FOR LESS, INC.,
4 CONNECT DIRECT LD, INC., BLUE SKY LONG DISTANCE, INC., COAST TO COAST
5 LONG DISTANCE, INC., FIRST CHOICE LONG DISTANCE, INC., BUNDLED RATE LONG
6 DISTANCE, INC., and SMART DIAL, INC. Individual operations are described as follows:

7 **a) UNIVERSAL CALL PLAN, INC.**

8 27. Pursuant to the records of the Nevada Secretary of State, the President, Secretary,
9 Treasurer and Director of defendant UNIVERSAL CALL PLAN, INC. is Michael S. Hansen.
10 Plaintiff is informed and believes that Michael S. Hansen has no background or experience in
11 the operation of a telephone company.

12 28. Plaintiff is informed and believes that UNIVERSAL CALL PLAN, INC. has no
13 employees and no offices other than the residence of Michael S. Hansen.

14 29. Plaintiff is informed and believes that the "owner" of UNIVERSAL CALL PLAN,
15 INC., Michael S. Hansen, is a resident of Folsom, California.

16 30. Plaintiff is informed and believes that Michael S. Hansen does not take part in any
17 of the day to day operations of UNIVERSAL CALL PLAN, INC., and that all actions taken on
18 behalf of UNIVERSAL CALL PLAN, INC. are performed by THE PAYMENT PEOPLE, INC.
19 through defendants JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

20 31. Plaintiff is informed and believes that UNIVERSAL CALL PLAN, INC. has no
21 contract to resell telephone services with any telephone company and is unable to provide
22 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF
23 McKAY and DONOVAN McNELY.

24 32. Plaintiff is informed and believes that UNIVERSAL CALL PLAN, INC. was created
25 and paid for by defendant JEFF McKAY.

26 33. Plaintiff is informed and believes that the internet website domain for UNIVERSAL
27 CALL PLAN, INC., www.universalcp.net, is owned by defendant DONOVAN McNELY.

28 34. UNIVERSAL CALL PLAN, INC. advertises its address on its website as 3525

1 Piedmont Road, 7 Piedmont Center, Suite 300, Atlanta, GA 30305. Plaintiff is informed and
2 believes that 3525 Piedmont Road, 7 Piedmont Center, Suite 300, Atlanta, GA 30305, is a
3 virtual office owned by Regus Management Group and leased to UNIVERSAL CALL PLAN,
4 INC. Attn: Jeff McKay, 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

5 35. Plaintiff is informed and believes that UNIVERSAL CALL PLAN, INC. has no
6 employees at, nor conducts business at 3525 Piedmont Road, 7 Piedmont Center, Suite 300,
7 Atlanta, GA 30305.

8 36. Plaintiff is informed and believes that the virtual office of UNIVERSAL CALL PLAN,
9 INC. at 3525 Piedmont Road, 7 Piedmont Center, Suite 300, Atlanta, GA 30305, was leased to
10 falsely create the impression that UNIVERSAL CALL PLAN, INC. is located in Atlanta,
11 Georgia, when it in fact has no operations in Georgia.

12 37. Plaintiff is informed and believes that advertisements by UNIVERSAL CALL PLAN,
13 INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
14 DONOVAN McNELY that it does business at 3525 Piedmont Road, 7 Piedmont Center, Suite
15 300, Atlanta, GA 30305, is a false and misleading statement intended to deceive consumers
16 as to the true location of UNIVERSAL CALL PLAN, INC.

17 38. Plaintiff is informed and believes that defendant UNIVERSAL CALL PLAN, INC., by
18 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
19 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
20 provide telecommunication services in Nevada nor bill Nevada residents for telephone
21 services.

22 39. Plaintiff is informed and believes that UNIVERSAL CALL PLAN, INC., advertises
23 that its customers can “Call anyone, anywhere in the UNITED STATES – including all state-to-
24 state and in-state long distance calls.” As a provider of intrastate telephone services,
25 UNIVERSAL CALL PLAN, INC. is required, pursuant to NRS 704.330, to obtain a certificate
26 from the Nevada Public Utilities Commission prior to providing said services. Plaintiff is
27 informed and believes that defendant UNIVERSAL CALL PLAN, INC., by and through THE
28 PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and DONOVAN McNELY

1 have provided and billed Nevada customers in violation of NRS 704.330.

2 40. Plaintiff is informed and believes that defendant UNIVERSAL CALL PLAN, INC., by
3 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
4 DONOVAN McNELY have billed Nevada residents for long distance telephone services
5 without first obtaining required certification from the Nevada Public Utilities Commission.

6 41. Plaintiff is informed and believes that defendant UNIVERSAL CALL PLAN, INC., by
7 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
8 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
9 for the purchase of long distance telephone services which those residents neither authorized
10 nor intended to purchase.

11 42. Plaintiff is informed and believes that defendant UNIVERSAL CALL PLAN, INC., by
12 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
13 DONOVAN McNELY have falsely reported to Billing Concepts, Inc., a third party billing
14 company, that residents of Carson City, and resident throughout Nevada have authorized the
15 purchase of long distance telephone services from UNIVERSAL CALL PLAN, INC.

16 43. Plaintiff is informed and believes that defendant UNIVERSAL CALL PLAN, INC., by
17 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
18 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
19 description relating directly to the services for which the customer is being billed and the
20 amount the customer is being charged for each service; all terms and conditions relating
21 directly to the services provided; and the address and telephone number of UNIVERSAL CALL
22 PLAN, INC.

23 44. Plaintiff is informed and believes that defendant UNIVERSAL CALL PLAN, INC., by
24 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
25 DONOVAN McNELY have billed elderly residents of Carson City, and residents throughout
26 Nevada for the purchase of long distance telephone services which those residents neither
27 authorized nor intended to purchase.

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1 **b) SURE CONNECTION LD, INC.**

2 45. Pursuant to the records of the Nevada Secretary of State, the President, Secretary,
3 Treasurer and Director of defendant SURE CONNECTION LD, INC. is Shawna Nunes.
4 Plaintiff is informed and believes that Shawna Nunes has no background or experience in the
5 operation of a telephone company.

6 46. Plaintiff is informed and believes that SURE CONNECTION LD, INC. has no
7 employees and no offices other than the residence of Shawna Nunes.

8 47. Plaintiff is informed and believes that the "owner" of SURE CONNECTION LD,
9 INC., Shawna Nunes, is a resident of Modesto, California.

10 48. Plaintiff is informed and believes that Shawna Nunes does not take part in any of
11 the day to day operations of SURE CONNECTION LD, INC., and that all actions taken on
12 behalf of SURE CONNECTION LD, INC. are performed by THE PAYMENT PEOPLE, INC.
13 through defendants JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

14 49. Plaintiff is informed and believes that SURE CONNECTION LD, INC. has no
15 contract to resell telephone services with any telephone company and is unable to provide
16 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF
17 McKAY and DONOVAN McNELY.

18 50. Plaintiff is informed and believes that SURE CONNECTION LD, INC. was created
19 and paid for by defendant JEFF McKAY.

20 51. Plaintiff is informed and believes that the internet website domain for SURE
21 CONNECTION LD, INC., www.sureconnectionld.com, is owned by defendant DONOVAN
22 McNELY.

23 52. SURE CONNECTION LD, INC. advertises its address on its website as 5100
24 Poplar Avenue, Suite 2700, Memphis, TN 38138. Plaintiff is informed and believes that 5100
25 Poplar Avenue, Suite 2700, Memphis, TN 38138, is a virtual office owned by Regus
26 Management Group and leased to SURE CONNECTION, INC. Attn: Jeff McKay, 5225
27 Pentecost Drive, Suite 18, Modesto, CA 95356.

28 53. Plaintiff is informed and believes that SURE CONNECTION LD, INC. has no

1 employees at, nor conducts business at 5100 Poplar Avenue, Suite 2700, Memphis, TN
2 38138.

3 54. Plaintiff is informed and believes that the virtual office of SURE CONNECTION LD,
4 INC. at 5100 Poplar Avenue, Suite 2700, Memphis, TN 38138, was leased to falsely create the
5 impression that SURE CONNECTION LD, INC. is located in Memphis, Tennessee, when it in
6 fact has no operations in Tennessee.

7 55. Plaintiff is informed and believes that advertisements by SURE CONNECTION LD,
8 INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
9 DONOVAN McNELY that it does business at 5100 Poplar Avenue, Suite 2700, Memphis, TN
10 38138, is a false and misleading statement intended to deceive consumers as to the true
11 location of SURE CONNECTION LD, INC.

12 56. Plaintiff is informed and believes that defendant SURE CONNECTION LD, INC., by
13 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
14 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
15 provide telecommunication services in Nevada nor bill Nevada residents for telephone
16 services.

17 57. Plaintiff is informed and believes that the SURE CONNECTION LD, INC.,
18 advertises that its customers have access to "Unlimited long distance calling to anywhere in
19 the United States and Canada for one low monthly fee." As a provider of intrastate telephone
20 services, SURE CONNECTION LD, INC. is required, pursuant to NRS 704.330, to obtain a
21 certificate from the Nevada Public Utilities Commission prior to providing said services. Plaintiff
22 is informed and believes that defendant SURE CONNECTION LD, INC., by and through THE
23 PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and DONOVAN McNELY
24 have provided and billed Nevada customers in violation of NRS 704.330.

25 58. Plaintiff is informed and believes that defendant SURE CONNECTION LD, INC., by
26 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
27 DONOVAN McNELY have billed Nevada residents for long distance telephone services
28 without first obtaining required certification from the Nevada Public Utilities Commission.

1 59. Plaintiff is informed and believes that defendant SURE CONNECTION LD, INC., by
2 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
3 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
4 for the purchase of long distance telephone services which those residents neither authorized
5 nor intended to purchase.

6 60. Plaintiff is informed and believes that defendant SURE CONNECTION LD, INC., by
7 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
8 DONOVAN McNELY have falsely reported to Billing Concepts, Inc., a third party billing
9 company, that residents of Carson City, and resident throughout Nevada have authorized the
10 purchase of long distance telephone services from SURE CONNECTION LD, INC.

11 61. Plaintiff is informed and believes that defendant SURE CONNECTION LD, INC., by
12 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
13 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
14 description relating directly to the services for which the customer is being billed and the
15 amount the customer is being charged for each service; all terms and conditions relating
16 directly to the services provided; and the address and telephone number of SURE
17 CONNECTION LD, INC.

18 62. Plaintiff is informed and believes that defendant SURE CONNECTION LD, INC., by
19 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
20 DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of long
21 distance telephone services which those residents neither authorized nor intended to
22 purchase.

23 **c) LONG DISTANCE DEPOT, INC.**

24 63. Pursuant to the records of the Nevada Secretary of State, the President, Secretary,
25 Treasurer and Director of defendant LONG DISTANCE DEPOT, INC. is Gail Hopkins. Plaintiff
26 is informed and believes that Gail Hopkins has no background or experience in the operation
27 of a telephone company.

28 64. Plaintiff is informed and believes that LONG DISTANCE DEPOT, INC. has no

1 employees and no offices other than the residence of Gail Hopkins.

2 65. Plaintiff is informed and believes that the “owner” of LONG DISTANCE DEPOT,
3 INC., Gail Hopkins, is a resident of Temecula, California.

4 66. Plaintiff is informed and believes that Gail Hopkins does not take part in any of the
5 day to day operations of LONG DISTANCE DEPOT, INC., and that all actions taken on behalf
6 of LONG DISTANCE DEPOT, INC. are performed by THE PAYMENT PEOPLE, INC. through
7 defendants JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

8 67. Plaintiff is informed and believes that LONG DISTANCE DEPOT, INC. has no
9 contract to resell telephone services with any telephone company and is unable to provide
10 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF
11 McKAY and DONOVAN McNELY.

12 68. Plaintiff is informed and believes that LONG DISTANCE DEPOT, INC. was created
13 and paid for by defendant JEFF McKAY.

14 69. Plaintiff is informed and believes that the internet website domain for LONG
15 DISTANCE DEPOT, INC., www.longdistancedepot.net, is owned by defendant DONOVAN
16 McNELY.

17 70. LONG DISTANCE DEPOT, INC. advertises its address on its website as 2010
18 Corporate Ridge Road, Suite 700, McLean, VA 22102. Plaintiff is informed and believes that
19 2010 Corporate Ridge Road, Suite 700, McLean, VA 22102, is a virtual office owned by Regus
20 Management Group and leased to LONG DISTANCE DEPOT, INC. Attn: Jeff McKay, 5225
21 Pentecost Drive, Suite 18, Modesto, CA 95356.

22 71. Plaintiff is informed and believes that LONG DISTANCE DEPOT, INC. has no
23 employees at, nor conducts business at 2010 Corporate Ridge Road, Suite 700, McLean, VA
24 22102.

25 72. Plaintiff is informed and believes that the virtual office of LONG DISTANCE DEPOT,
26 INC. at 2010 Corporate Ridge Road, Suite 700, McLean, VA 22102, was leased to falsely
27 create the impression that LONG DISTANCE DEPOT, INC. is located in McLean, Virginia,
28 when it in fact has no operations in Virginia.

1 73. Plaintiff is informed and believes that advertisements by LONG DISTANCE DEPOT,
2 INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
3 DONOVAN McNELY that it does business at 2010 Corporate Ridge Road, Suite 700, McLean,
4 VA 22102, is a false and misleading statement intended to deceive consumers as to the true
5 location of LONG DISTANCE DEPOT, INC.

6 74. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC.,
7 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
8 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
9 provide telecommunication services in Nevada nor bill Nevada residents for telephone
10 services.

11 75. Plaintiff is informed and believes that the LONG DISTANCE DEPOT, INC.
12 advertises that its customers can “Call friends and families all over the nation and talk as long
13 as you want to without switching your long distance company.” As a provider of intrastate
14 telephone services, LONG DISTANCE DEPOT, INC. is required, pursuant to NRS 704.330, to
15 obtain a certificate from the Nevada Public Utilities Commission prior to providing said
16 services. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC., by
17 and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
18 DONOVAN McNELY have provided and billed Nevada customers in violation of NRS 704.330.

19 76. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC.,
20 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
21 DONOVAN McNELY have billed Nevada residents for long distance telephone services
22 without first obtaining required certification from the Nevada Public Utilities Commission.

23 77. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC.,
24 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
25 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
26 for the purchase of long distance telephone services which those residents neither authorized
27 nor intended to purchase.

28 78. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC.,

1 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
2 DONOVAN McNELY have falsely reported to Billing Concepts, Inc., a third party billing
3 company, that residents of Carson City, and residents throughout Nevada have authorized the
4 purchase of long distance telephone services from LONG DISTANCE DEPOT, INC.

5 79. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC.,
6 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
7 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
8 description relating directly to the services for which the customer is being billed and the
9 amount the customer is being charged for each service; all terms and conditions relating
10 directly to the services provided; and the address and telephone number of LONG DISTANCE
11 DEPOT, INC.

12 80. Plaintiff is informed and believes that defendant LONG DISTANCE DEPOT, INC.,
13 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
14 DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of long
15 distance telephone services which those residents neither authorized nor intended to
16 purchase.

17 **d) FLAT RATE LONG DISTANCE, INC.**

18 81. Pursuant to the records of the Nevada Secretary of State, the President, Secretary,
19 Treasurer and Director of defendant FLAT RATE LONG DISTANCE, INC. is Jennifer Wells.
20 Plaintiff is informed and believes that Jennifer Wells has no background or experience in the
21 operation of a telephone company.

22 82. Plaintiff is informed and believes that FLAT RATE LONG DISTANCE, INC. has no
23 employees and no offices other than the residence of Jennifer Wells.

24 83. Plaintiff is informed and believes that the "owner" of FLAT RATE LONG DISTANCE,
25 INC., Jennifer Wells, is a resident of San Diego, California.

26 84. Plaintiff is informed and believes that Jennifer Wells does not take part in any of the
27 day to day operations of FLAT RATE LONG DISTANCE, INC., and that all actions taken on
28 behalf of FLAT RATE LONG DISTANCE, INC. are performed by THE PAYMENT PEOPLE,

1 INC. through defendants JEFF McKAY and DONOVAN McNELY via an unlimited power of
2 attorney.

3 85. Plaintiff is informed and believes that FLAT RATE LONG DISTANCE, INC. has no
4 contract to resell telephone services with any telephone company and is unable to provide
5 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF
6 McKAY and DONOVAN McNELY.

7 86. Plaintiff is informed and believes that FLAT RATE LONG DISTANCE, INC. was
8 created and paid for by defendant JEFF McKAY.

9 87. Plaintiff is informed and believes that the internet website domain for FLAT RATE
10 LONG DISTANCE, INC., www.flatrateld.net, is owned by defendant DONVAN McNELY.

11 88. FLAT RATE LONG DISTANCE, INC. advertises its address on its website as 450
12 E. 96th Street, Suite 500, Indianapolis, Indiana 46240. Plaintiff is informed and believes that
13 450 E. 96th Street, Suite 500, Indianapolis, Indiana 46240, is a virtual office owned by Regus
14 Management Group and leased to FLAT RATE LONG DISTANCE, INC. Attn: Jeff McKay,
15 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

16 89. Plaintiff is informed and believes that FLAT RATE LONG DISTANCE, INC. has no
17 employees at, nor conducts business at 450 E. 96th Street, Suite 500, Indianapolis, Indiana
18 46240.

19 90. Plaintiff is informed and believes that the virtual office of FLAT RATE LONG
20 DISTANCE, INC. at 450 E. 96th Street, Suite 500, Indianapolis, Indiana 46240, was leased to
21 falsely create the impression that FLAT RATE LONG DISTANCE, INC. is located in
22 Indianapolis, Indiana, when it in fact has no operations in Indiana.

23 91. Plaintiff is informed and believes that advertisements by FLAT RATE LONG
24 DISTANCE, INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF
25 McKAY and DONOVAN McNELY that it does business at 450 E. 96th Street, Suite 500,
26 Indianapolis, Indiana 46240, is a false and misleading statement intended to deceive
27 consumers as to the true location of FLAT RATE LONG DISTANCE, INC.

28 92. Plaintiff is informed and believes that defendant FLAT RATE LONG DISTANCE,

1 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
2 and DONOVAN McNELY do not have certification from the Nevada Public Utilities
3 Commission to provide telecommunication services in Nevada nor bill Nevada residents for
4 telephone services.

5 93. Plaintiff is informed and believes that defendant FLAT RATE LONG DISTANCE,
6 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
7 and DONOVAN McNELY have billed Nevada residents for long distance telephone services
8 without first obtaining required certification from the Nevada Public Utilities Commission.

9 94. Plaintiff is informed and believes that the FLAT RATE LONG DISTANCE, INC.,
10 advertises that its customers can "Make as many unlimited long distance calls as you want in
11 the UNITED STATES." As a provider of intrastate telephone services, FLAT RATE LONG
12 DISTANCE, INC. is required, pursuant to NRS 704.330, to obtain a certificate from the Nevada
13 Public Utilities Commission prior to providing said services. Plaintiff is informed and believes
14 that defendant FLAT RATE LONG DISTANCE, INC., by and through THE PAYMENT
15 PEOPLE, INC. by and through defendants JEFF McKAY and DONOVAN McNELY have
16 provided and billed Nevada customers in violation of NRS 704.330.

17 95. Plaintiff is informed and believes that defendant FLAT RATE LONG DISTANCE,
18 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
19 and DONOVAN McNELY have billed residents of Carson City, and residents throughout
20 Nevada for the purchase of long distance telephone services which those residents neither
21 authorized nor intended to purchase.

22 96. Plaintiff is informed and believes that defendant FLAT RATE LONG DISTANCE,
23 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
24 and DONOVAN McNELY have falsely reported to Billing Concepts, Inc., a third party billing
25 company, that residents of Carson City, and residents throughout Nevada have authorized the
26 purchase of long distance telephone services from FLAT RATE LONG DISTANCE, INC.

27 97. Plaintiff is informed and believes that defendant FLAT RATE LONG DISTANCE,
28 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY

1 and DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
2 description relating directly to the services for which the customer is being billed and the
3 amount the customer is being charged for each service; all terms and conditions relating
4 directly to the services provided; and the address and telephone number of FLAT RATE LONG
5 DISTANCE, INC.

6 98. Plaintiff is informed and believes that defendant FLAT RATE LONG DISTANCE,
7 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
8 and DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of
9 long distance telephone services which those residents neither authorized nor intended to
10 purchase.

11 **e) LONG DISTANCE MART, INC.**

12 99. Pursuant to the records of the Nevada Secretary of State, the President, Secretary,
13 Treasurer and Director of defendant LONG DISTANCE MART, INC. is Frances Templin.
14 Plaintiff is informed and believes that Frances Templin has no background or experience in the
15 operation of a telephone company.

16 100. Plaintiff is informed and believes that LONG DISTANCE MART, INC. has no
17 employees and no offices other than the residence of Frances Templin.

18 101. Plaintiff is informed and believes that the "owner" of LONG DISTANCE MART,
19 INC., Frances Templin, is a resident of Fulton, California.

20 102. Plaintiff is informed and believes that Frances Templin does not take part in any
21 of the day to day operations of LONG DISTANCE MART, INC., and that all actions taken on
22 behalf of LONG DISTANCE MART, INC. are performed by THE PAYMENT PEOPLE, INC.
23 through defendants JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

24 103. Plaintiff is informed and believes that LONG DISTANCE MART, INC. has no
25 contract to resell telephone services with any telephone company and is unable to provide
26 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF
27 McKAY and DONOVAN McNELY.

28 104. Plaintiff is informed and believes that LONG DISTANCE MART, INC. was

1 created and paid for by defendant JEFF McKAY.

2 105. Plaintiff is informed and believes that the internet website domain for LONG
3 DISTANCE MART, INC., www.longdistancemart.com, is owned by defendant DONOVAN
4 McNELY.

5 106. LONG DISTANCE MART, INC. advertises its address on its website as 201 St.
6 Charles Avenue, Suite 2500, New Orleans, LA 70170. Plaintiff is informed and believes that
7 201 St. Charles Avenue, Suite 2500, New Orleans, LA 70170, is a virtual office owned by
8 Regus Management Group and leased to LONG DISTANCE MART, INC. Attn: Jeff McKay
9 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

10 107. Plaintiff is informed and believes that LONG DISTANCE MART, INC. has no
11 employees at, nor conducts business at 201 St. Charles Avenue, Suite 2500, New Orleans, LA
12 70170.

13 108. Plaintiff is informed and believes that the virtual office of LONG DISTANCE
14 MART, INC. at 201 St. Charles Avenue, Suite 2500, New Orleans, LA 70170, was leased to
15 falsely create the impression that LONG DISTANCE MART, INC. is located in New Orleans,
16 Louisiana, when it in fact has no operations in Louisiana.

17 109. Plaintiff is informed and believes that advertisements by LONG DISTANCE
18 MART, INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
19 and DONOVAN McNELY that it does business at 201 St. Charles Avenue, Suite 2500, New
20 Orleans, LA 70170, is a false and misleading statement intended to deceive consumers as to
21 the true location of LONG DISTANCE MART, INC.

22 110. Plaintiff is informed and believes that defendant LONG DISTANCE MART, INC.,
23 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
24 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
25 provide telecommunication services in Nevada nor bill Nevada residents for telephone
26 services.

27 111. Plaintiff is informed and believes that the LONG DISTANCE MART, INC.,
28 advertises that its customers can "Dial anywhere in the United States or Canada from

1 anywhere in the UNITED STATES.” As a provider of intrastate telephone services, LONG
2 DISTANCE MART, INC. is required, pursuant to NRS 704.330, to obtain a certificate from the
3 Nevada Public Utilities Commission prior to providing said services. Plaintiff is informed and
4 believes that defendant LONG DISTANCE MART, INC., by and through THE PAYMENT
5 PEOPLE, INC. by and through defendants JEFF McKAY and DONOVAN McNELY have
6 provided and billed Nevada customers in violation of NRS 704.330.

7 112. Plaintiff is informed and believes that defendant LONG DISTANCE MART, INC.,
8 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
9 DONOVAN McNELY have billed Nevada residents for long distance telephone services
10 without first obtaining required certification from the Nevada Public Utilities Commission.

11 113. Plaintiff is informed and believes that defendant LONG DISTANCE MART, INC.,
12 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
13 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
14 for the purchase of long distance telephone services which those residents neither authorized
15 nor intended to purchase.

16 114. Plaintiff is informed and believes that defendant LONG DISTANCE MART, INC.,
17 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
18 DONOVAN McNELY have falsely reported to Billing Concepts, Inc., a third party billing
19 company, that residents of Carson City, and residents throughout Nevada have authorized the
20 purchase of long distance telephone services from LONG DISTANCE MART, INC.

21 115. Plaintiff is informed and believes that defendant LONG DISTANCE MART, INC.,
22 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
23 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
24 description relating directly to the services for which the customer is being billed and the
25 amount the customer is being charged for each service; all terms and conditions relating
26 directly to the services provided; and the address and telephone number of LONG DISTANCE
27 MART, INC.

28 116. Plaintiff is informed and believes that defendant LONG DISTANCE MART, INC.,

1 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
2 DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of long
3 distance telephone services which those residents neither authorized nor intended to
4 purchase.

5 **f) XOOM TELECOMMUNICATIONS, INC.**

6 117. Pursuant to the records of the Nevada Secretary of State, the President,
7 Secretary, Treasurer and Director of defendant XOOM TELECOMMUNICATIONS, INC. is
8 Diana Souza. Plaintiff is informed and believes that Diana Souza has no background or
9 experience in the operation of a telephone company.

10 118. Plaintiff is informed and believes that XOOM TELECOMMUNICATIONS, INC.
11 has no employees and no offices other than the residence of Diana Souza.

12 119. Plaintiff is informed and believes that the "owner" of XOOM
13 TELECOMMUNICATIONS, INC., Diana Souza, is a resident of Soulsbyville, California.

14 120. Plaintiff is informed and believes that Diana Souza does not take part in any of
15 the day to day operations of XOOM TELECOMMUNICATIONS, INC., and that all actions
16 taken on behalf of XOOM TELECOMMUNICATIONS, INC. are performed by THE PAYMENT
17 PEOPLE, INC. through defendants JEFF McKAY and DONOVAN McNELY via an unlimited
18 power of attorney.

19 121. Plaintiff is informed and believes that XOOM TELECOMMUNICATIONS, INC.
20 has no contract to resell telephone services with any telephone company and is unable to
21 provide telephone services apart from THE PAYMENT PEOPLE, INC. through defendants
22 JEFF McKAY and DONOVAN McNELY.

23 122. Plaintiff is informed and believes that XOOM TELECOMMUNICATIONS, INC.
24 was created and paid for by defendant JEFF McKAY.

25 123. Plaintiff is informed and believes that the internet website domain for XOOM
26 TELECOMMUNICATIONS, INC., www.xoomtelecom.com, is owned by defendant DONOVAN
27 McNELY.

28 124. XOOM TELECOMMUNICATIONS, INC. advertises its address on its website as

1 200 South Executive Drive, Suite 101, Brookfield, WI 53005. Plaintiff is informed and believes
2 that 200 South Executive Drive, Suite 101, Brookfield, WI 53005, is a virtual office owned by
3 Regus Management Group and leased to XOOM TELECOMMUNICATIONS, INC. Attn: Jeff
4 McKay, 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

5 125. Plaintiff is informed and believes that XOOM TELECOMMUNICATIONS, INC.
6 has no employees at, nor conducts business at 200 South Executive Drive, Suite 101,
7 Brookfield, WI 53005.

8 126. Plaintiff is informed and believes that the virtual office of XOOM
9 TELECOMMUNICATIONS, INC. at 200 South Executive Drive, Suite 101, Brookfield, WI
10 53005, was leased to falsely create the impression that XOOM TELECOMMUNICATIONS,
11 INC. is located in Brookfield, Wisconsin, when it in fact has no operations in Wisconsin.

12 127. Plaintiff is informed and believes that advertisements by XOOM
13 TELECOMMUNICATIONS, INC. through THE PAYMENT PEOPLE, INC. by and through
14 defendants JEFF McKAY and DONOVAN McNELY that it does business at 200 South
15 Executive Drive, Suite 101, Brookfield, WI 53005, is a false and misleading statement intended
16 to deceive consumers as to the true location of XOOM TELECOMMUNICATIONS, INC.

17 128. Plaintiff is informed and believes that defendant XOOM
18 TELECOMMUNICATIONS, INC., by and through THE PAYMENT PEOPLE, INC. by and
19 through defendants JEFF McKAY and DONOVAN McNELY do not have certification from the
20 Nevada Public Utilities Commission to provide telecommunication services in Nevada nor bill
21 Nevada residents for telephone services.

22 129. Plaintiff is informed and believes that the XOOM TELECOMMUNICATIONS,
23 INC., advertises that its customers can "Dial any number in the UNITED STATES or Canada
24 from anywhere in the United States." As a provider of intrastate telephone services, XOOM
25 TELECOMMUNICATIONS, INC. is required, pursuant to NRS 704.330, to obtain a certificate
26 from the Nevada Public Utilities Commission prior to providing said services. Plaintiff is
27 informed and believes that defendant XOOM TELECOMMUNICATIONS, INC., by and through
28 THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and DONOVAN

1 McNELY have provided and billed Nevada customers in violation of NRS 704.330.

2 130. Plaintiff is informed and believes that defendant XOOM
3 TELECOMMUNICATIONS, INC., by and through THE PAYMENT PEOPLE, INC. by and
4 through defendants JEFF McKAY and DONOVAN McNELY have billed Nevada residents for
5 long distance telephone services without first obtaining required certification from the Nevada
6 Public Utilities Commission.

7 131. Plaintiff is informed and believes that defendant XOOM
8 TELECOMMUNICATIONS, INC., by and through THE PAYMENT PEOPLE, INC. by and
9 through defendants JEFF McKAY and DONOVAN McNELY have billed residents of Carson
10 City, and residents throughout Nevada for the purchase of long distance telephone services
11 which those residents neither authorized nor intended to purchase.

12 132. Plaintiff is informed and believes that defendant XOOM
13 TELECOMMUNICATIONS, INC., by and through THE PAYMENT PEOPLE, INC. by and
14 through defendants JEFF McKAY and DONOVAN McNELY have falsely reported to
15 PaymentOne, Inc., a third party billing company, that residents of Carson City, and residents
16 throughout Nevada have authorized the purchase of long distance telephone services from
17 XOOM TELECOMMUNICATIONS, INC.

18 133. Plaintiff is informed and believes that defendant XOOM
19 TELECOMMUNICATIONS, INC., by and through THE PAYMENT PEOPLE, INC. by and
20 through defendants JEFF McKAY and DONOVAN McNELY failed to timely provide written
21 notice containing a clear and detailed description relating directly to the services for which the
22 customer is being billed and the amount the customer is being charged for each service; all
23 terms and conditions relating directly to the services provided; and the address and telephone
24 number of XOOM TELECOMMUNICATIONS, INC.

25 134. Plaintiff is informed and believes that defendant XOOM
26 TELECOMMUNICATIONS, INC., by and through THE PAYMENT PEOPLE, INC. by and
27 through defendants JEFF McKAY and DONOVAN McNELY have billed elderly residents
28 throughout Nevada for the purchase of long distance telephone services which those residents

1 neither authorized nor intended to purchase.

2 **g) CALL DIRECT, INC.**

3 135. Pursuant to the records of the Nevada Secretary of State, the President,
4 Secretary, Treasurer and Director of defendant CALL DIRECT, INC. is Wendy Stuart. Plaintiff
5 is informed and believes that Wendy Stuart has no background or experience in the operation
6 of a telephone company.

7 136. Plaintiff is informed and believes that CALL DIRECT, INC. has no employees
8 and no offices other than the residence of Wendy Stuart.

9 137. Plaintiff is informed and believes that the "owner" of CALL DIRECT, INC., Wendy
10 Stuart, is a resident of Modesto, California.

11 138. Plaintiff is informed and believes that Wendy Stuart does not take part in any of
12 the day to day operations of CALL DIRECT, INC., and that all actions taken on behalf of CALL
13 DIRECT, INC. are performed by THE PAYMENT PEOPLE, INC. through defendants JEFF
14 McKAY and DONOVAN McNELY via an unlimited power of attorney.

15 139. Plaintiff is informed and believes that CALL DIRECT, INC. has no contract to
16 resell telephone services with any telephone company and is unable to provide telephone
17 services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF McKAY and
18 DONOVAN McNELY.

19 140. Plaintiff is informed and believes that CALL DIRECT, INC. was created and paid
20 for by defendant JEFF McKAY.

21 141. Plaintiff is informed and believes that the internet website domain for CALL
22 DIRECT, INC., www.mycalldirect.com, is owned by defendant DONOVAN McNELY.

23 142. CALL DIRECT, INC. advertises its address on its website as 201 Penn Center
24 Blvd., Suite 400, Pittsburgh, PA 15235. Plaintiff is informed and believes that 201 Penn Center
25 Blvd., Suite 400, Pittsburgh, PA 15235, is a virtual office owned by Regus Management Group
26 and leased to CALL DIRECT, INC. Attn: Jeff McKay, 5225 Pentecost Drive, Suite 18, Modesto,
27 CA 95356.

28 143. Plaintiff is informed and believes that CALL DIRECT, INC. has no employees at,

1 nor conducts business at 201 Penn Center Blvd., Suite 400, Pittsburgh, PA 15235.

2 144. Plaintiff is informed and believes that the virtual office of CALL DIRECT, INC. at
3 201 Penn Center Blvd., Suite 400, Pittsburgh, PA 15235, was leased to falsely create the
4 impression that CALL DIRECT, INC. is located in Pittsburgh, Pennsylvania, when it in fact has
5 no operations in Pennsylvania.

6 145. Plaintiff is informed and believes that advertisement by CALL DIRECT, INC.
7 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
8 DONOVAN McNELY that it does business at 201 Penn Center Blvd., Suite 400, Pittsburgh, PA
9 15235, is a false and misleading statement intended to deceive consumers as to the true
10 location of CALL DIRECT, INC.

11 146. Plaintiff is informed and believes that defendant CALL DIRECT, INC., by and
12 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
13 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
14 provide telecommunication services in Nevada nor bill Nevada residents for telephone
15 services.

16 147. Plaintiff is informed and believes that the CALL DIRECT, INC., advertises that its
17 customers can "Dial any number in the UNITED STATES or Canada from anywhere in the
18 United States." As a provider of intrastate telephone services, CALL DIRECT, INC. is required,
19 pursuant to NRS 704.330, to obtain a certificate from the Nevada Public Utilities Commission
20 prior to providing said services. Plaintiff is informed and believes that defendant CALL
21 DIRECT, INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants
22 JEFF McKAY and DONOVAN McNELY have provided and billed Nevada customers in
23 violation of NRS 704.330.

24 148. Plaintiff is informed and believes that defendant CALL DIRECT, INC., by and
25 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
26 DONOVAN McNELY have billed Nevada residents for long distance telephone services
27 without first obtaining required certification from the Nevada Public Utilities Commission.

28 149. Plaintiff is informed and believes that defendant CALL DIRECT, INC., by and

1 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
2 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
3 for the purchase of long distance telephone services which those residents neither authorized
4 nor intended to purchase.

5 150. Plaintiff is informed and believes that defendant CALL DIRECT, INC., by and
6 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
7 DONOVAN McNELY have falsely reported to PaymentOne, Inc., a third party billing company,
8 that residents of Carson City, and residents throughout Nevada have authorized the purchase
9 of long distance telephone services from CALL DIRECT, INC.

10 151. Plaintiff is informed and believes that defendant CALL DIRECT, INC., by and
11 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
12 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
13 description relating directly to the services for which the customer is being billed and the
14 amount the customer is being charged for each service; all terms and conditions relating
15 directly to the services provided; and the address and telephone number of CALL DIRECT,
16 INC.

17 152. Plaintiff is informed and believes that defendant CALL DIRECT, INC., by and
18 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
19 DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of long
20 distance telephone services which those residents neither authorized nor intended to
21 purchase.

22 **h) CALL FOR LESS, INC.**

23 153. Pursuant to the records of the Nevada Secretary of State, the President,
24 Secretary, Treasurer and Director of defendant CALL FOR LESS, INC. is Donna Clayton.
25 Plaintiff is informed and believes that Donna Clayton has no background or experience in the
26 operation of a telephone company.

27 154. Plaintiff is informed and believes that CALL FOR LESS, INC. has no employees
28 and no offices other than the residence of Donna Clayton.

1 155. Plaintiff is informed and believes that the “owner” of CALL FOR LESS, INC.,
2 Donna Clayton, is a resident of La Grange, California.

3 156. Plaintiff is informed and believes that Donna Clayton does not take part in any of
4 the day to day operations of CALL FOR LESS, INC., and that all actions taken on behalf of
5 CALL FOR LESS, INC. are performed by THE PAYMENT PEOPLE, INC. through defendants
6 JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

7 157. Plaintiff is informed and believes that CALL FOR LESS, INC. has no contract to
8 resell telephone services with any telephone company and is unable to provide telephone
9 services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF McKAY and
10 DONOVAN McNELY.

11 158. Plaintiff is informed and believes that CALL FOR LESS, INC. was created and
12 paid for by defendant JEFF McKAY.

13 159. Plaintiff is informed and believes that the internet website domain for CALL FOR
14 LESS, INC., www.mycallforless.com, is owned by defendant DONOVAN McNELY.

15 160. CALL FOR LESS, INC. advertises its address on its website as 80 SW 8th
16 Street, Suite 2000, Miami, FL 33130. Plaintiff is informed and believes that 80 SW 8th Street,
17 Suite 2000, Miami, FL 33130, is a virtual office owned by Regus Management Group and
18 leased to CALL FOR LESS, INC. Attn: Jeff McKay, 5225 Pentecost Drive, Suite 18, Modesto,
19 CA 95356.

20 161. Plaintiff is informed and believes that CALL FOR LESS, INC. has no employees
21 at, nor conducts business at 80 SW 8th Street, Suite 2000, Miami, FL 33130.

22 162. Plaintiff is informed and believes that the virtual office of CALL FOR LESS, INC.
23 at 80 SW 8th Street, Suite 2000, Miami, FL 33130, was leased to falsely create the impression
24 that CALL FOR LESS, INC. is located in Miami, Florida, when it in fact has no operations in
25 Florida.

26 163. Plaintiff is informed and believes that advertisements by CALL FOR LESS, INC.
27 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
28 DONOVAN McNELY that it does business at 80 SW 8th Street, Suite 2000, Miami, FL 33130,

1 is a false and misleading statement intended to deceive consumers as to the true location of
2 CALL FOR LESS, INC.

3 164. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
4 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
5 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
6 provide telecommunication services in Nevada nor bill Nevada residents for telephone
7 services.

8 165. Plaintiff is informed and believes that the CALL FOR LESS, INC., advertises that
9 its customers can "Make as many long distance calls as you want in the United States." As a
10 provider of intrastate telephone services, CALL FOR LESS, INC. is required, pursuant to NRS
11 704.330, to obtain a certificate from the Nevada Public Utilities Commission prior to providing
12 said services. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
13 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
14 DONOVAN McNELY have provided and billed Nevada customers in violation of NRS 704.330.

15 166. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
16 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
17 DONOVAN McNELY have billed Nevada residents for long distance telephone services
18 without first obtaining required certification from the Nevada Public Utilities Commission.

19 167. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
20 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
21 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
22 for the purchase of long distance telephone services which those residents neither authorized
23 nor intended to purchase.

24 168. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
25 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
26 DONOVAN McNELY have falsely reported to PaymentOne, Inc., a third party billing company,
27 that residents of Carson City, and residents throughout Nevada have authorized the purchase
28 of long distance telephone services from CALL FOR LESS, INC.

1 169. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
2 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
3 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
4 description relating directly to the services for which the customer is being billed and the
5 amount the customer is being charged for each service; all terms and conditions relating
6 directly to the services provided; and the address and telephone number of CALL FOR LESS,
7 INC.

8 170. Plaintiff is informed and believes that defendant CALL FOR LESS, INC., by and
9 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
10 DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of long
11 distance telephone services which those residents neither authorized nor intended to
12 purchase.

13 **i) CONNECT DIRECT LD, INC.**

14 171. Pursuant to the records of the Nevada Secretary of State, the President,
15 Secretary, Treasurer and Director of defendant CONNECT DIRECT LD, INC. is Jill Dryden
16 Simas. Plaintiff is informed and believes that Jill Dryden Simas has no background or
17 experience in the operation of a telephone company.

18 172. Plaintiff is informed and believes that CONNECT DIRECT LD, INC. has no
19 employees and no offices other than the residence of Jill Dryden Simas.

20 173. Plaintiff is informed and believes that the "owner" of CONNECT DIRECT LD,
21 INC., Jill Dryden Simas, is a resident of Riverbank, California.

22 174. Plaintiff is informed and believes that Jill Dryden Simas does not take part in any
23 of the day to day operations of CONNECT DIRECT LD, INC., and that all actions taken on
24 behalf of CONNECT DIRECT LD, INC. are performed by THE PAYMENT PEOPLE, INC.
25 through defendants JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

26 175. Plaintiff is informed and believes that CONNECT DIRECT LD, INC. has no
27 contract to resell telephone services with any telephone company and is unable to provide
28 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF

1 McKAY and DONOVAN McNELY.

2 176. Plaintiff is informed and believes that CONNECT DIRECT LD, INC. was created
3 and paid for by defendant JEFF McKAY.

4 177. Plaintiff is informed and believes that the internet website domain for CONNECT
5 DIRECT LD, INC., www.connectdirectld.com, is owned by defendant DONOVAN McNELY.

6 178. CONNECT DIRECT LD, INC. advertises its address on its website as 950
7 Bannock Street, Suite 1100, Boise, ID 83702. Plaintiff is informed and believes that 950
8 Bannock Street, Suite 1100, Boise, ID 83702, is a virtual office owned by Regus Management
9 Group and leased to CONNECT DIRECT LD, INC. Attn: Jeff McKay, 5225 Pentecost Drive,
10 Suite 18, Modesto, CA 95356.

11 179. Plaintiff is informed and believes that CONNECT DIRECT LD, INC. has no
12 employees at, nor conducts business at 950 Bannock Street, Suite 1100, Boise, ID 83702.

13 180. Plaintiff is informed and believes that the virtual office of CONNECT DIRECT LD,
14 INC. at 950 Bannock Street, Suite 1100, Boise, ID 83702, was leased to falsely create the
15 impression that CONNECT DIRECT LD, INC. is located in Boise, Idaho, when it in fact has no
16 operations in Idaho.

17 181. Plaintiff is informed and believes that advertisement by CONNECT DIRECT LD,
18 INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
19 DONOVAN McNELY that it does business at 950 Bannock Street, Suite 1100, Boise, ID
20 83702, is a false and misleading statement intended to deceive consumers as to the true
21 location of CONNECT DIRECT LD, INC.

22 182. Plaintiff is informed and believes that defendant CONNECT DIRECT LD, INC.,
23 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
24 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
25 provide telecommunication services in Nevada nor bill Nevada residents for telephone
26 services.

27 183. Plaintiff is informed and believes that the CONNECT DIRECT LD, INC.
28 advertises that its customers can "Make unlimited long distance telephone calls anywhere in

1 the United States.” As a provider of intrastate telephone services, CONNECT DIRECT LD,
2 INC. is required, pursuant to NRS 704.330, to obtain a certificate from the Nevada Public
3 Utilities Commission prior to providing said services. Plaintiff is informed and believes that
4 defendant CONNECT DIRECT LD, INC., by and through THE PAYMENT PEOPLE, INC. by
5 and through defendants JEFF McKAY and DONOVAN McNELY have provided and billed
6 Nevada customers in violation of NRS 704.330.

7 184. Plaintiff is informed and believes that defendant CONNECT DIRECT LD, INC.,
8 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
9 DONOVAN McNELY have billed Nevada residents for long distance telephone services
10 without first obtaining required certification from the Nevada Public Utilities Commission.

11 185. Plaintiff is informed and believes that defendant CONNECT DIRECT LD, INC.,
12 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
13 DONOVAN McNELY have billed residents of Carson City, and residents throughout Nevada
14 for the purchase of long distance telephone services which those residents neither authorized
15 or intended to purchase.

16 186. Plaintiff is informed and believes that defendant CONNECT DIRECT LD, INC.,
17 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
18 DONOVAN McNELY have falsely reported to PaymentOne, Inc., a third party billing company,
19 that residents of Carson City, and residents throughout Nevada have authorized the purchase
20 of long distance telephone services from CONNECT DIRECT LD, INC.

21 187. Plaintiff is informed and believes that defendant CONNECT DIRECT LD, INC.,
22 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
23 DONOVAN McNELY failed to timely provide written notice containing a clear and detailed
24 description relating directly to the services for which the customer is being billed and the
25 amount the customer is being charged for each service; all terms and conditions relating
26 directly to the services provided; and the address and telephone number of CONNECT
27 DIRECT LD, INC.

28 188. Plaintiff is informed and believes that defendant CONNECT DIRECT LD, INC.,

1 by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
2 DONOVAN McNELY have billed elderly residents throughout Nevada for the purchase of long
3 distance telephone services which those residents neither authorized or intended to purchase.

4 **j) BLUE SKY LONG DISTANCE, INC.**

5 189. Pursuant to the records of the Nevada Secretary of State, the President,
6 Secretary, Treasurer and Director of defendant BLUE SKY LONG DISTANCE, INC. is
7 Kathleen C. Burrow. Plaintiff is informed and believes that Kathleen C. Burrow has no
8 background or experience in the operation of a telephone company.

9 190. Plaintiff is informed and believes that BLUE SKY LONG DISTANCE, INC. has no
10 employees and no offices other than the residence of Kathleen C. Burrow.

11 191. Plaintiff is informed and believes that the "owner" of BLUE SKY LONG
12 DISTANCE, INC., Kathleen C. Burrow, is a resident of Modesto, California.

13 192. Plaintiff is informed and believes that Kathleen C. Burrow does not take part in
14 any of the day to day operations of BLUE SKY LONG DISTANCE, INC., and that all actions
15 taken on behalf of BLUE SKY LONG DISTANCE, INC. are performed by THE PAYMENT
16 PEOPLE, INC. through defendants JEFF McKAY and DONOVAN McNELY via an unlimited
17 power of attorney.

18 193. Plaintiff is informed and believes that BLUE SKY LONG DISTANCE, INC. has no
19 contract to resell telephone services with any telephone company and is unable to provide
20 telephone services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF
21 McKAY and DONOVAN McNELY.

22 194. Plaintiff is informed and believes that BLUE SKY LONG DISTANCE, INC. was
23 created and paid for by defendant JEFF McKAY.

24 195. Plaintiff is informed and believes that the internet website domain for BLUE SKY
25 LONG DISTANCE, INC., www.blueskyld.com, is owned by defendant DONOVAN McNELY.

26 196. BLUE SKY LONG DISTANCE, INC. advertises its address on its website as
27 2475 Northwinds Pkwy, Suite 200, Alpharetta, GA 30009. Plaintiff is informed and believes
28 that 2475 Northwinds Pkwy, Suite 200, Alpharetta, GA 30009, is a virtual office owned by

1 Regus Management Group and leased to BLUE SKY LONG DISTANCE, INC. Attn: Jeff
2 McKay, 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

3 197. Plaintiff is informed and believes that BLUE SKY LONG DISTANCE, INC. has no
4 employees at, nor conducts business at 2475 Northwinds Pkwy, Suite 200, Alpharetta, GA
5 30009.

6 198. Plaintiff is informed and believes that the virtual office of BLUE SKY LONG
7 DISTANCE, INC. at 2475 Northwinds Pkwy, Suite 200, Alpharetta, GA 30009, was leased to
8 falsely create the impression that BLUE SKY LONG DISTANCE, INC. is located in Alpharetta,
9 Georgia, when it in fact has no operations in Georgia.

10 199. Plaintiff is informed and believes that advertisements by BLUE SKY LONG
11 DISTANCE, INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF
12 McKAY and DONOVAN McNELY that it does business at 2475 Northwinds Pkwy, Suite 200,
13 Alpharetta, GA 30009, is a false and misleading statement intended to deceive consumers as
14 to the true location of BLUE SKY LONG DISTANCE, INC.

15 200. Plaintiff is informed and believes that defendant BLUE SKY LONG DISTANCE,
16 INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY
17 and DONOVAN McNELY do not have certification from the Nevada Public Utilities
18 Commission to provide telecommunication services in Nevada nor bill Nevada residents for
19 telephone services.

20 201. Plaintiff is informed and believes that unless enjoined from doing business in
21 Nevada, defendant BLUE SKY LONG DISTANCE, INC., by and through THE PAYMENT
22 PEOPLE, INC. will bill residents throughout Nevada for the purchase of long distance
23 telephone services which those residents will neither authorize nor intend to purchase.

24 **k) COAST TO COAST LONG DISTANCE, INC.**

25 202. Pursuant to the records of the Nevada Secretary of State, the President,
26 Secretary, Treasurer and Director of defendant COAST TO COAST LONG DISTANCE, INC. is
27 Ashley Peters. Plaintiff is informed and believes that Ashley Peters has no background or
28 experience in the operation of a telephone company.

1 203. Plaintiff is informed and believes that COAST TO COAST LONG DISTANCE,
2 INC. has no employees and no offices other than the residence of Ashley Peters.

3 204. Plaintiff is informed and believes that the “owner” of COAST TO COAST LONG
4 DISTANCE, INC., Ashley Peters, is a resident of Modesto, California.

5 205. Plaintiff is informed and believes that Ashley Peters does not take part in any of
6 the day to day operations of COAST TO COAST LONG DISTANCE, INC., and that all actions
7 taken on behalf of COAST TO COAST LONG DISTANCE, INC. are performed by THE
8 PAYMENT PEOPLE, INC. through defendants JEFF McKAY and DONOVAN McNELY via an
9 unlimited power of attorney.

10 206. Plaintiff is informed and believes that COAST TO COAST LONG DISTANCE,
11 INC. has no contract to resell telephone services with any telephone company and is unable to
12 provide telephone services apart from THE PAYMENT PEOPLE, INC. through defendants
13 JEFF McKAY and DONOVAN McNELY.

14 207. Plaintiff is informed and believes that COAST TO COAST LONG DISTANCE,
15 INC. was created and paid for by defendant JEFF McKAY.

16 208. Plaintiff is informed and believes that the internet website domain for COAST TO
17 COAST LONG DISTANCE, INC., www.coasttocoastltd.com, is owned by defendant
18 DONOVAN McNELY.

19 209. COAST TO COAST LONG DISTANCE, INC. advertises its address on its
20 website as 8044 Montgomery Road, Suite 700, Cincinnati, OH 45236. Plaintiff is informed and
21 believes that 8044 Montgomery Road, Suite 700, Cincinnati, OH 45236, is a virtual office
22 owned by Regus Management Group and leased to COAST TO COAST LONG DISTANCE,
23 INC. Attn: Jeff McKay, 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

24 210. Plaintiff is informed and believes that COAST TO COAST LONG DISTANCE,
25 INC. has no employees at, nor conducts business at 8044 Montgomery Road, Suite 700,
26 Cincinnati, OH 45236.

27 211. Plaintiff is informed and believes that the virtual office of COAST TO COAST
28 LONG DISTANCE, INC. at 8044 Montgomery Road, Suite 700, Cincinnati, OH 45236, was

1 leased to falsely create the impression that COAST TO COAST LONG DISTANCE, INC. is
2 located in Cincinnati, Ohio, when it in fact has no operations in Ohio.

3 212. Plaintiff is informed and believes that advertisements by COAST TO COAST
4 LONG DISTANCE, INC. through THE PAYMENT PEOPLE, INC. by and through defendants
5 JEFF McKAY and DONOVAN McNELY that it does business at 8044 Montgomery Road, Suite
6 700, Cincinnati, OH 45236, is a false and misleading statement intended to deceive
7 consumers as to the true location of COAST TO COAST LONG DISTANCE, INC.

8 213. Plaintiff is informed and believes that defendant COAST TO COAST LONG
9 DISTANCE, INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants
10 JEFF McKAY and DONOVAN McNELY do not have certification from the Nevada Public
11 Utilities Commission to provide telecommunication services in Nevada nor bill Nevada
12 residents for telephone services.

13 214. Plaintiff is informed and believes that unless enjoined from doing business in
14 Nevada, defendant COAST TO COAST LONG DISTANCE, INC., by and through THE
15 PAYMENT PEOPLE, INC. will bill residents throughout Nevada for the purchase of long
16 distance telephone services which those residents will neither authorize nor intend to
17 purchase.

18 **I) FIRST CHOICE LONG DISTANCE, INC.**

19 215. Pursuant to the records of the Nevada Secretary of State, the President,
20 Secretary, Treasurer and Director of defendant FIRST CHOICE LONG DISTANCE, INC. is
21 Karin Turner. Plaintiff is informed and believes that Karin Turner has no background or
22 experience in the operation of a telephone company.

23 216. Plaintiff is informed and believes that FIRST CHOICE LONG DISTANCE, INC.
24 has no employees and no offices other than the residence of Karin Turner.

25 217. Plaintiff is informed and believes that the "owner" of FIRST CHOICE LONG
26 DISTANCE, INC., Karin Turner, is a resident of El Cajon, California.

27 218. Plaintiff is informed and believes that Karin Turner does not take part in any of
28 the day to day operations of FIRST CHOICE LONG DISTANCE, INC., and that all actions

1 taken on behalf of FIRST CHOICE LONG DISTANCE, INC. are performed by THE PAYMENT
2 PEOPLE, INC. through defendants JEFF McKAY and DONOVAN McNELY via an unlimited
3 power of attorney.

4 219. Plaintiff is informed and believes that FIRST CHOICE LONG DISTANCE, INC.
5 has no contract to resell telephone services with any telephone company and is unable to
6 provide telephone services apart from THE PAYMENT PEOPLE, INC. through defendants
7 JEFF McKAY and DONOVAN McNELY.

8 220. Plaintiff is informed and believes that FIRST CHOICE LONG DISTANCE, INC.
9 was created and paid for by defendant JEFF McKAY.

10 221. Plaintiff is informed and believes that the internet website domain for FIRST
11 CHOICE LONG DISTANCE, INC., www.firstchoiceld.com, is owned by defendant DONOVAN
12 McNELY.

13 222. FIRST CHOICE LONG DISTANCE, INC. advertises its address on its website as
14 10900 N.E. 4th Street, Suite 2300, Bellevue, WA 98004. Plaintiff is informed and believes that
15 10900 N.E. 4th Street, Suite 2300, Bellevue, WA 98004, is a virtual office owned by Regus
16 Management Group and leased to FIRST CHOICE LONG DISTANCE, INC. Attn: Jeff McKay,
17 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

18 223. Plaintiff is informed and believes that FIRST CHOICE LONG DISTANCE, INC.
19 has no employees at, nor conducts business at 10900 N.E. 4th Street, Suite 2300, Bellevue,
20 WA 98004.

21 224. Plaintiff is informed and believes that the virtual office of FIRST CHOICE LONG
22 DISTANCE, INC. at 10900 N.E. 4th Street, Suite 2300, Bellevue, WA 98004, was leased to
23 falsely create the impression that FIRST CHOICE LONG DISTANCE, INC. is located in
24 Bellevue, Washington, when it in fact has no operations in Washington.

25 225. Plaintiff is informed and believes that advertisements by FIRST CHOICE LONG
26 DISTANCE, INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF
27 McKAY and DONOVAN McNELY that it does business at 10900 N.E. 4th Street, Suite 2300,
28 Bellevue, WA 98004, is a false and misleading statement intended to deceive consumers as to

1 the true location of FIRST CHOICE LONG DISTANCE, INC.

2 226. Plaintiff is informed and believes that defendant FIRST CHOICE LONG
3 DISTANCE, INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants
4 JEFF McKAY and DONOVAN McNELY do not have certification from the Nevada Public
5 Utilities Commission to provide telecommunication services in Nevada nor bill Nevada
6 residents for telephone services.

7 227. Plaintiff is informed and believes that unless enjoined from doing business in
8 Nevada, defendant FIRST CHOICE LONG DISTANCE, INC., by and through THE PAYMENT
9 PEOPLE, INC. will bill residents throughout Nevada for the purchase of long distance
10 telephone services which those residents will neither authorize nor intend to purchase.

11 **m) BUNDLED RATE LONG DISTANCE INC.**

12 228. Pursuant to the records of the Nevada Secretary of State, the President,
13 Secretary, Treasurer and Director of defendant BUNDLED RATE LONG DISTANCE INC. is
14 David Jansson. Plaintiff is informed and believes that David Jansson has no background or
15 experience in the operation of a telephone company.

16 229. Plaintiff is informed and believes that BUNDLED RATE LONG DISTANCE INC.
17 has no employees and no offices other than the residence of David Jansson.

18 230. Plaintiff is informed and believes that the "owner" of BUNDLED RATE LONG
19 DISTANCE INC., David Jansson, is a resident of Modesto, California.

20 231. Plaintiff is informed and believes that David Jansson does not take part in any of
21 the day to day operations of BUNDLED RATE LONG DISTANCE INC., and that all actions
22 taken on behalf of BUNDLED RATE LONG DISTANCE INC. are performed by THE
23 PAYMENT PEOPLE, INC. through defendants JEFF McKAY and DONOVAN McNELY via an
24 unlimited power of attorney.

25 232. Plaintiff is informed and believes that BUNDLED RATE LONG DISTANCE INC.
26 has no contract to resell telephone services with any telephone company and is unable to
27 provide telephone services apart from THE PAYMENT PEOPLE, INC. through defendants
28 JEFF McKAY and DONOVAN McNELY.

1 233. Plaintiff is informed and believes that BUNDLED RATE LONG DISTANCE INC.
2 was created and paid for by defendant JEFF McKAY.

3 234. Plaintiff is informed and believes that the internet website domain for BUNDLED
4 RATE LONG DISTANCE INC., www.bundledrateld.com, is owned by defendant DONOVAN
5 McNELY.

6 235. BUNDLED RATE LONG DISTANCE INC. advertises its address on its website
7 as 8400 Normandale Lake Blvd., Suite 920, Bloomington, MN 55437. Plaintiff is informed and
8 believes that 8400 Normandale Lake Blvd., Suite 920, Bloomington, MN 55437, is a virtual
9 office owned by Regus Management Group and leased to BUNDLED RATE LONG
10 DISTANCE INC. Attn: Jeff McKay, 5225 Pentecost Drive, Suite 18, Modesto, CA 95356.

11 236. Plaintiff is informed and believes that BUNDLED RATE LONG DISTANCE INC.
12 has no employees at, nor conducts business at 8400 Normandale Lake Blvd., Suite 920,
13 Bloomington, MN 55437.

14 237. Plaintiff is informed and believes that the virtual office of BUNDLED RATE LONG
15 DISTANCE INC. at 8400 Normandale Lake Blvd., Suite 920, Bloomington, MN 55437, was
16 leased to falsely create the impression that BUNDLED RATE LONG DISTANCE INC. is
17 located in Bloomington, Minnesota, when it in fact has no operations in Minnesota.

18 238. Plaintiff is informed and believes that advertisements by BUNDLED RATE LONG
19 DISTANCE INC. through THE PAYMENT PEOPLE, INC. by and through defendants JEFF
20 McKAY and DONOVAN McNELY that it does business at 8400 Normandale Lake Blvd., Suite
21 920, Bloomington, MN 55437, is a false and misleading statement intended to deceive
22 consumers as to the true location of BUNDLED RATE LONG DISTANCE INC.

23 239. Plaintiff is informed and believes that defendant BUNDLED RATE LONG
24 DISTANCE INC., by and through THE PAYMENT PEOPLE, INC. by and through defendants
25 JEFF McKAY and DONOVAN McNELY do not have certification from the Nevada Public
26 Utilities Commission to provide telecommunication services in Nevada nor bill Nevada
27 residents for telephone services.

28 240. Plaintiff is informed and believes that unless enjoined from doing business in

1 Nevada, defendant BUNDLED RATE LONG DISTANCE INC., by and through THE PAYMENT
2 PEOPLE, INC. will bill residents throughout Nevada for the purchase of long distance
3 telephone services which those residents will neither authorize nor intend to purchase.

4 **n) SMART DIAL, INC.**

5 241. Pursuant to the records of the Nevada Secretary of State, the President,
6 Secretary, Treasurer and Director of defendant SMART DIAL, INC. is Harold Vanderveen.
7 Plaintiff is informed and believes that Harold Vanderveen has no background or experience in
8 the operation of a telephone company.

9 242. Plaintiff is informed and believes that SMART DIAL, INC. has no employees and
10 no offices other than the residence of Harold Vanderveen.

11 243. Plaintiff is informed and believes that the "owner" of SMART DIAL, INC., Harold
12 Vanderveen, is a resident of Modesto, California.

13 244. Plaintiff is informed and believes that Harold Vanderveen does not take part in
14 any of the day to day operations of SMART DIAL, INC., and that all actions taken on behalf of
15 SMART DIAL, INC. are performed by THE PAYMENT PEOPLE, INC. through defendants
16 JEFF McKAY and DONOVAN McNELY via an unlimited power of attorney.

17 245. Plaintiff is informed and believes that SMART DIAL, INC. has no contract to
18 resell telephone services with any telephone company and is unable to provide telephone
19 services apart from THE PAYMENT PEOPLE, INC. through defendants JEFF McKAY and
20 DONOVAN McNELY.

21 246. Plaintiff is informed and believes that SMART DIAL, INC. was created and paid
22 for by defendant JEFF McKAY.

23 247. Plaintiff is informed and believes that the internet website domain for SMART
24 DIAL, INC., www.smartdial.net, is owned by defendant DONOVAN McNELY.

25 248. SMART DIAL, INC. advertises its address on its website as 102 S. Tejon St.,
26 11th Floor, Colorado Springs, CO 80903. Plaintiff is informed and believes that 102 S. Tejon
27 St., 11th Floor, Colorado Springs, CO 80903, is a virtual office owned by Regus Management
28 Group and leased to SMART DIAL, INC. Attn: Jeff McKay, 5225 Pentecost Drive, Suite 18,

1 Modesto, CA 95356.

2 249. Plaintiff is informed and believes that SMART DIAL, INC. has no employees at,
3 nor conducts business at 102 S. Tejon St., 11th Floor, Colorado Springs, CO 80903.

4 250. Plaintiff is informed and believes that the virtual office of SMART DIAL, INC. at
5 102 S. Tejon St., 11th Floor, Colorado Springs, CO 80903, was leased to falsely create the
6 impression that SMART DIAL, INC. is located in Colorado Springs, Colorado, when it in fact
7 has no operations in Colorado.

8 251. Plaintiff is informed and believes that advertisements by SMART DIAL, INC.
9 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
10 DONOVAN McNELY that it does business at 102 S. Tejon St., 11th Floor, Colorado Springs,
11 CO 80903, is a false and misleading statement intended to deceive consumers as to the true
12 location of SMART DIAL, INC.

13 252. Plaintiff is informed and believes that defendant SMART DIAL, INC., by and
14 through THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
15 DONOVAN McNELY do not have certification from the Nevada Public Utilities Commission to
16 provide telecommunication services in Nevada nor bill Nevada residents for telephone
17 services.

18 253. Plaintiff is informed and believes that unless enjoined from doing business in
19 Nevada, defendant SMART DIAL, INC., by and through THE PAYMENT PEOPLE, INC. will bill
20 residents throughout Nevada for the purchase of long distance telephone services which those
21 residents will neither authorize nor intend to purchase.

22 **VIOLATIONS OF NEVADA'S DECEPTIVE TRADE ACT**

23 254. Nevada Revised Statutes, Chapter 598, prohibits deceptive trade practices and
24 the making of any false or misleading statements in a transaction regarding the sale or lease
25 of goods or services as follows:

26 **COUNT ONE**

27 255. NRS 598.0923(1) indicates that it is a deceptive trade practice to knowingly
28 conduct a business or occupation without all required state, county or city licenses.

1 representations or designations of geographic origin in connection with services for sale.

2 260. Plaintiff is informed and believes that between on or about April 2008 to date,
3 defendant THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
4 DONOVAN McNELY on behalf of UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD,
5 INC., LONG DISTANCE DEPOT, INC., FLAT RATE LONG DISTANCE, INC., LONG
6 DISTANCE MART, INC., XOOM TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL
7 FOR LESS, INC., and CONNECT DIRECT LD, INC. rented virtual offices on behalf of
8 UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD, INC., LONG DISTANCE DEPOT,
9 INC., FLAT RATE LONG DISTANCE, INC., LONG DISTANCE MART, INC., XOOM
10 TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL FOR LESS, INC., and
11 CONNECT DIRECT LD, INC. for the purposes of concealing the true location of the primary
12 place of operation of these companies which in reality is located in Modesto, California. Each
13 individual act constitutes a violation of NRS 598.0915(4).

14 **COUNT FOUR**

15 261. NRS 598.969(3) indicates that it is a deceptive trade practice for a
16 telecommunication service provider to falsely state to a person that the person has subscribed
17 or authorized a subscription to or has received a telecommunications service.

18 262. Plaintiff is informed and believes that between on or about April 2008 to date,
19 defendant THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
20 DONOVAN McNELY have submitted false and misleading billing information on behalf of
21 UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD, INC., LONG DISTANCE DEPOT,
22 INC., FLAT RATE LONG DISTANCE, INC., LONG DISTANCE MART, INC., XOOM
23 TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL FOR LESS, INC., and
24 CONNECT DIRECT LD, INC., have submitted to third party billing aggregators; Billing
25 Concepts. Inc. and PaymentOne, Inc, who relayed that information to AT&T and Embarq for
26 the purpose of falsely billing Nevada customers of AT&T and Embarq. Each individual act
27 constitutes a violation of NRS 598.969(3).

28 ///

1 **COUNT FIVE**

2 263. NRS 598.969(8) indicates that it is a deceptive trade practice for a
3 telecommunication service provider to bill a customer for services that the provider knows the
4 customer has not authorized.

5 264. Plaintiff is informed and believes that between on or about April 2008 to date,
6 defendant THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
7 DONOVAN McNELY on behalf of UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD,
8 INC., LONG DISTANCE DEPOT, INC., FLAT RATE LONG DISTANCE, INC., LONG
9 DISTANCE MART, INC., XOOM TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL
10 FOR LESS, INC., and CONNECT DIRECT LD, INC. submitted over 8300 false or misleading
11 billing instructions to Billing Concepts, Inc. and PaymentOne, Inc, who relayed that information
12 to AT&T and Embarq, causing over 8300 Nevada customers to be billed for long distance
13 telephone services which had not been purchased nor authorized by those customers. Each
14 individual act constitutes a violation of NRS 598.969(8).

15 **COUNT SIX**

16 265. NRS 598.969(5) indicates that it is a deceptive trade practice for a
17 telecommunications service provider to fail to provide a customer with timely written notice
18 containing a clear and detailed description relating directly to the services for which the
19 customer is being billed and the amount the customer is being charged for each service; all
20 terms and conditions relating directly to the services provided; and the name, address and
21 telephone number of the provider.

22 266. Plaintiff is informed and believes that between on or about April 2008 to date,
23 defendant THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
24 DONOVAN McNELY on behalf of UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD,
25 INC., LONG DISTANCE DEPOT, INC., FLAT RATE LONG DISTANCE, INC., LONG
26 DISTANCE MART, INC., XOOM TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL
27 FOR LESS, INC., and CONNECT DIRECT LD, INC. failed to provide any Nevada customer
28 billed for long distance services with timely written notice containing a clear and detailed

1 description relating directly to the services for which the customer is being billed and the
2 amount the customer is being charged for each service; all terms and conditions relating
3 directly to the services provided; and the name, address and telephone number of the
4 provider. Each individual act constitutes a violation of NRS 598.969(5).

5 **COUNT SEVEN**

6 267. NRS 598.0915(15) indicates that it is a deceptive trade practice to knowingly
7 make any false representation in a transaction.

8 268. Plaintiff is informed and believes that the false and misleading information
9 submitted by THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
10 DONOVAN McNELY, between on or about April 2008 to date, caused AT&T and Embarq to
11 submit false and misleading telephone bills to Nevada consumers, charging those consumers
12 for long distance telephone services that were neither purchased nor authorized by those
13 consumers. Each individual act constitutes a violation of NRS 598.0915(15).

14 **COUNT EIGHT**

15 269. NRS 598.0923(2) indicates that it is a deceptive trade practice to fail to disclose
16 a material fact in connection with the sale or lease of goods or services.

17 270. Plaintiff is informed and believes that between on or about April 2008 to date,
18 defendant THE PAYMENT PEOPLE, INC. by and through defendants JEFF McKAY and
19 DONOVAN McNELY on behalf of UNIVERSAL CALL PLAN, INC., SURE CONNECTION LD,
20 INC., LONG DISTANCE DEPOT, INC., FLAT RATE LONG DISTANCE, INC., LONG
21 DISTANCE MART, INC., XOOM TELECOMMUNICATIONS, INC., CALL DIRECT, INC., CALL
22 FOR LESS, INC., and CONNECT DIRECT LD, INC. failed to inform over 8300 Nevada
23 customers billed for long distance services by THE PAYMENT PEOPLE, INC. by and through
24 defendants JEFF McKAY and DONOVAN McNELY on behalf of UNIVERSAL CALL PLAN,
25 INC., SURE CONNECTION LD, INC., LONG DISTANCE DEPOT, INC., FLAT RATE LONG
26 DISTANCE, INC., LONG DISTANCE MART, INC., XOOM TELECOMMUNICATIONS, INC.,
27 CALL DIRECT, INC., CALL FOR LESS, INC., and CONNECT DIRECT LD, INC. that those
28 customers were not liable for the payment of said bills, a material fact. Each individual act

1 constitutes a violation of NRS 598.0923(2).

2 **CONSUMER INJURY**

3 271. Consumers throughout Carson City and other locations in Nevada have suffered,
4 and continue to suffer, substantial monetary loss as a result of Defendants' unlawful acts and
5 practices. In addition, Defendants have been unjustly enriched as a result of their unlawful
6 acts and practices. Absent injunctive relief, Defendants are likely to continue to injure
7 consumers, reap unjust enrichment, and harm the public.

8 **THIS COURT'S POWER TO GRANT RELIEF**

9 272. NRS 598.0963(3) states: "If the Attorney General has reason to believe that a
10 person has engaged or is engaging in a deceptive trade practice, the Attorney General may
11 bring an action in the name of the State of Nevada against that person to obtain a temporary
12 restraining order, a preliminary or permanent injunction, or other appropriate relief." To obtain
13 injunctive relief in a statutory enforcement action, the State need only show, through
14 competent evidence, a reasonable likelihood that the statute was violated and that the statute
15 specifically allows injunctive relief. *State ex rel. Office of Attorney General, Bureau of*
16 *Consumer Protection v. NOS Communications, Inc.*, 84 P.3d 1052 (2004).

17 273. NRS 598.0989 states in relevant part: "Any Court in which an action is brought
18 pursuant to those sections may issue any temporary or permanent injunction in accordance
19 with the Nevada Rules of Civil Procedure to restrain and prevent any violation of any
20 provisions of NRS 598.0903 to 598.0999, inclusive, and such injunctions must be issued
21 without bond."

22 274. NRS 598.0953(1) states in relevant part: "Evidence that a person has engaged
23 in a deceptive trade practice is prima facie evidence of intent to injure competitors and to
24 destroy or substantially lessen competition." When the Legislature declares certain conduct to
25 be unlawful, it is tantamount in law to calling it injurious to the public.

26 275. NRS 598.0963(2) states in relevant part: "In any action brought pursuant to the
27 provisions of NRS 598.0903 to 598.0999, inclusive, if the Court finds that a person has willfully
28 engaged in a deceptive trade practice, the Commissioner, the Director, the district attorney of

1 any county in this state or the Attorney General bringing the action may recover a civil penalty
2 not to exceed \$10,000 for each violation. The Court in any such action may, in addition to any
3 other relief or reimbursement, award reasonable attorney's fees and costs.”

4 276. NRS 598.0973(1) states in relevant part: “In any action brought pursuant to NRS
5 598.0979 to 598.099, inclusive, if the Court finds that a person has engaged in a deceptive
6 trade practice directed toward an elderly or disabled person, the Court may, in addition to any
7 other civil or criminal penalty, impose a civil penalty of not more than \$12,500 for each
8 violation.”

9 277. This Court in the exercise of its equitable jurisdiction may award other ancillary
10 relief to remedy injury caused by Defendant’s law violations.

11 **PRAYER FOR RELIEF**

12 278. WHEREFORE, the Plaintiff, STATE OF NEVADA, by and through the Office of
13 the Attorney General, Bureau of Consumer Protection (BCP), pursuant to NRS 598.0963(3),
14 NRS 598.0973(1) and NRS 598.0999(2), and the Court's own equitable powers, requests that
15 the Court:

16 279. Award Plaintiff such preliminary injunctive and ancillary relief, including a
17 temporary restraining order, as may be necessary to avert the likelihood of consumer injury
18 during the pendency of this action and to preserve the possibility of effective final relief;

19 280. Permanently enjoin Defendants, and their employees, agents or contractors from
20 violating the provisions of Nevada’s Deceptive Trade Practices Act, NRS Chapter 598, as
21 alleged herein;

22 281. Award Plaintiff a civil penalty not to exceed \$10,000 for each willful violation of
23 Nevada’s Deceptive Trade Practices Act, NRS Chapter 598 as determined by the Court;

24 282. Award Plaintiff a civil penalty not to exceed \$12,500 for each deceptive trade
25 practice directed by the Defendants, or their employees, agents or contractors, toward an
26 elderly or disabled person, in addition to any other civil penalty, using the standards set forth in
27 NRS 598.0973.

28 283. Award such relief as the Court finds necessary to redress injury to consumers

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resulting from the Defendants' violations of Nevada's Deceptive Trade Practices Act, NRS Chapter 598, as alleged herein including but not limited to, rescission of contracts, the refund of monies paid, and the disgorgement of ill-gotten monies and interest thereon by Defendants; and,

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

DATED this _____ day of _____, 2009.

CATHERINE CORTEZ MASTO, Attorney General
ERIC WITKOSKI, Consumer Advocate

By: _____
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