

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
)	
The Hot Lead LLC)	File No. EB- 06-TC-120
d/b/a The Hot Lead Company)	
)	NAL/Acct. No. 200732170072
)	FRN: 0016773533
Apparent Liability for Forfeiture)	
)	

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: August 13, 2007

Released: August 14, 2007

By the Commission:

I. INTRODUCTION

1. In this *Notice of Apparent Liability for Forfeiture* ("NAL")¹, we find that The Hot Lead LLC ("Hot Lead")² apparently willfully or repeatedly violated section 227 of the Communications Act of 1934, as amended ("Act"), and the Commission's related rules and orders, by delivering at least 356 unsolicited advertisements to the telephone facsimile machines of at least 110 consumers.³ Based on the facts and circumstances surrounding these apparent violations, we find that Hot Lead is apparently liable for a forfeiture in the amount of \$2,168,500.

¹ See 47 U.S.C. § 503(b)(1). The Commission has the authority under this section of the Act to assess a forfeiture against any person who has "willfully or repeatedly failed to comply with any of the provisions of this Act or of any rule, regulation, or order issued by the Commission under this Act" See also 47 U.S.C. § 503(b)(5) (stating that the Commission has the authority under this section of the Act to assess a forfeiture penalty against any person who does not hold a license, permit, certificate or other authorization issued by the Commission or an applicant for any of those listed instrumentalities so long as such person (A) is first issued a citation of the violation charged; (B) is given a reasonable opportunity for a personal interview with an official of the Commission, at the field office of the Commission nearest to the person's place of residence; and (C) subsequently engages in conduct of the type described in the citation).

² According to publicly available information, Hot Lead is also doing business as The Hot Lead Company. Therefore, all references in this NAL to "Hot Lead" encompass Hot Lead as well as The Hot Lead Company. Hot Lead has offices at 16901 Dallas Parkway, Addison, Texas 75001. Mr. Greg Horne, is listed as the contact person for Hot Lead. The Hot Lead Company has offices at 1400 Preston Road #300, Plano, Texas 75903. Mr. Greg Horne, is listed as the contact person for The Hot Lead Company. Accordingly, all references in this NAL to "Hot Lead" also encompass the foregoing individual and all other principals and officers of this entity, as well as the corporate entity itself.

³ See 47 U.S.C. § 227(b)(1)(C); 47 C.F.R. § 64.1200(a)(3); see also *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991, Report and Order and Third Order on Reconsideration*, 21 FCC Rcd 3787 (2006).

II. BACKGROUND

2. Section 227(b)(1)(C) of the Act makes it “unlawful for any person within the United States, or any person outside the United States if the recipient is within the United States . . . to use any telephone facsimile machine, computer, or other device to send, to a telephone facsimile machine, an unsolicited advertisement.”⁴ The term “unsolicited advertisement” is defined in the Act and the Commission’s rules as “any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person’s prior express invitation or permission in writing or otherwise.”⁵ Under the Commission’s Rules, an “established business relationship”⁶ exception permits a party to deliver a message to a consumer if the sender has an established business relationship with the recipient *and* the sender obtained the number of the facsimile machine through the voluntary communication by the recipient, directly to the sender, within the context of the established business relationship, or through a directory, advertisement, or a site on the Internet to which the recipient voluntarily agreed to make available its facsimile number for public distribution.⁷

3. On May 5, 2006, in response to one or more consumer complaints alleging that Hot Lead had faxed unsolicited advertisements, the Commission staff issued a citation⁸ to Hot Lead, pursuant to section 503(b)(5) of the Act.⁹ The staff cited Hot Lead for using a telephone facsimile machine, computer, or other device, to send unsolicited advertisements for mortgage financing, health and life insurance, credit and debit card services, interior shutters, custom-logo shirts/T-shirts, fax advertising and sales leads to a telephone facsimile machine, in violation of section 227 of the Act and the Commission’s related rules and orders. The citation, which the staff served by certified mail, return receipt requested, warned Hot Lead that subsequent violations could result in the imposition of monetary forfeitures of up to \$11,000 per violation, and included a copy of the consumer complaints that formed the basis of the citation.¹⁰ The citation informed Hot Lead that within 30 days of the date of the citation, it could either request an interview with Commission staff, or could provide a written statement responding to the citation. Hot Lead did not request an interview or otherwise respond to the citation.

4. Despite the citation’s warning that subsequent violations could result in the imposition of monetary forfeitures, we have received additional consumer complaints indicating that Hot Lead continued to engage in such conduct after receiving the citation.¹¹ We base our action here specifically on complaints filed by 110 consumers establishing that Hot Lead continued to send 356 unsolicited

⁴ 47 U.S.C. § 227(b)(1)(C); 47 C.F.R. § 64.1200(a)(3).

⁵ 47 U.S.C. §227(a)(4); 47 C.F.R. §64.1200 (f)(13).

⁶ An “established business relationship” is defined as a prior or existing relationship formed by a voluntary two-way communication “with or without an exchange of consideration, on the basis of an inquiry, application, purchase or transaction by the business or residential subscriber regarding products or services offered by such person or entity, which relationship has not been previously terminated by either party.” 47 C.F.R. § 64.1200(f)(5).

⁷ See 47 U.S.C. § 227(b)(1)(C); 47 C.F.R. § 64.1200(a)(3)(i), (ii).

⁸ Citation from Kurt A. Schroeder, Deputy Chief, Telecommunications Consumers Division, Enforcement Bureau, File No. EB-06-TC-120 issued to Hot Lead on May 5, 2006.

⁹ See 47 U.S.C. § 503(b)(5) (authorizing the Commission to issue citations to persons who do not hold a license, permit, certificate or other authorization issued by the Commission or an applicant for any of those listed instrumentalities for violations of the Act or of the Commission’s rules and orders).

¹⁰ Commission staff mailed the citation to 16901 Dallas Parkway, Addison, Texas 75001 and 1400 Preston Road #300, Plano, Texas 75903. See n.2, *supra*.

¹¹ See Appendix for a listing of the consumer complaints against Hot Lead requesting Commission action.

advertisements to telephone facsimile machines after the date of the citation.¹²

5. Section 503(b) of the Act authorizes the Commission to assess a forfeiture of up to \$11,000 for each violation of the Act or of any rule, regulation, or order issued by the Commission under the Act by a non-common carrier or other entity not specifically designated in section 503 of the Act.¹³ In exercising such authority, we are to take into account “the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”¹⁴

III. DISCUSSION

A. Violations of the Commission’s Rules Restricting Unsolicited Facsimile Advertisements

6. We find that Hot Lead apparently violated section 227 of the Act and the Commission’s related rules and orders by using a telephone facsimile machine, computer, or other device to send at least 356 unsolicited advertisements to the 110 consumers identified in the Appendix. This NAL is based on evidence that the consumers received unsolicited fax advertisements from Hot Lead *after* the Bureau’s citation. The facsimile transmissions advertise mortgage financing, health and life insurance, credit and debit card services, interior shutters, custom-logo shirts/T-shirts, fax advertising and sales leads. Further, according to the complaints, the consumers neither had an established business relationship with Hot Lead nor gave Hot Lead permission to send the facsimile transmissions.¹⁵ The faxes at issue here therefore fall within the definition of an “unsolicited advertisement.”¹⁶ Based on the entire record, including the consumer complaints, we conclude that Hot Lead apparently violated section 227 of the Act and the Commission’s related rules and orders by sending 356 unsolicited advertisements to 110 consumers’ facsimile machines.

B. Proposed Forfeiture

7. We find that Hot Lead is apparently liable for a forfeiture in the amount of \$2,168,500. Although the *Commission’s Forfeiture Policy Statement* does not establish a base forfeiture amount for violating the prohibition against using a telephone facsimile machine to send unsolicited advertisements,

¹² We note that evidence of additional instances of unlawful conduct by Hot Lead may form the basis of subsequent enforcement action.

¹³ Section 503(b)(2)(C) provides for forfeitures up to \$10,000 for each violation in cases not covered by subparagraph (A) or (B), which address forfeitures for violations by licensees and common carriers, among others. See 47 U.S.C. § 503(b). In accordance with the inflation adjustment requirements contained in the Debt Collection Improvement Act of 1996, Pub. L. 104-134, Sec. 31001, 110 Stat. 1321, the Commission implemented an increase of the maximum statutory forfeiture under section 503(b)(2)(C) to \$11,000. See 47 C.F.R. § 1.80(b)(3); *Amendment of Section 1.80 of the Commission’s Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, 15 FCC Rcd 18221 (2000); see also *Amendment of Section 1.80(b) of the Commission’s Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, 19 FCC Rcd 10945 (2004) (this recent amendment of section 1.80(b) to reflect inflation left the forfeiture maximum for this type of violator at \$11,000).

¹⁴ 47 U.S.C. § 503(b)(2)(D); *The Commission’s Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines, Report and Order*, 12 FCC Rcd 17087, 17100-01 para. 27 (1997) (*Forfeiture Policy Statement*), *recon. denied*, 15 FCC Rcd 303 (1999).

¹⁵ See, e.g., complaint dated Dec. 26, 2006 from Randi Viola (stating that “we are receiving numerous unsolicited faxes daily. I have enclosed four of the unwanted faxes we have received this morning. We have never done business with any of these companies and never gave them permission to fax us anything.”). The complainants involved in this action are listed in the Appendix below.

¹⁶ See 47 U.S.C. § 227(a)(4); 47 C.F.R. § 64.1200(f)(13) (definition previously at § 64.1200(f)(10)).

the Commission has previously considered \$4,500 per unsolicited fax advertisement to be an appropriate base amount.¹⁷ We apply that base amount to each of 253 of the apparent violations. In addition, where the consumer requests the company to stop sending facsimile messages, and the company continues to send them, the Commission has previously considered \$10,000 per unsolicited fax advertisement the appropriate forfeiture for such egregious violations.¹⁸ Here, 23 consumers specifically requested that Hot Lead cease sending facsimiles. Notwithstanding these requests, an additional 103 facsimiles were sent to these consumers. Thus, we apply the \$10,000 amount to each of 103 of the apparent violations.” Thus, a total forfeiture of \$2,168,500 is proposed. Hot Lead will have the opportunity to submit evidence and arguments in response to this NAL to show that no forfeiture should be imposed or that some lesser amount should be assessed.¹⁹

IV. CONCLUSION AND ORDERING CLAUSES

8. We have determined that The Hot Lead LLC apparently violated section 227 of the Act and the Commission’s related rules and orders by using a telephone facsimile machine, computer, or other device to send at least 356 unsolicited advertisements to the 110 consumers identified in the Appendix. We have further determined that The Hot Lead LLC is apparently liable for a forfeiture in the amount of \$2,168,500.

9. Accordingly, IT IS ORDERED, pursuant to section 503(b) of the Act, 47 U.S.C. § 503(b), and section 1.80 of the Rules, 47 C.F.R. § 1.80, that The Hot Lead LLC is hereby NOTIFIED of this APPARENT LIABILITY FOR A FORFEITURE in the amount of \$2,168,500 for willful or repeated violations of section 227(b)(1)(C) of the Communications Act, 47 U.S.C. § 227(b)(1)(C), sections 64.1200(a)(3) of the Commission’s rules, 47 C.F.R. § 64.1200(a)(3), and the related orders described in the paragraphs above.

10. IT IS FURTHER ORDERED THAT, pursuant to section 1.80 of the Commission’s rules,²⁰ within thirty (30) days of the release date of this *Notice of Apparent Liability for Forfeiture*, The Hot Lead LLC SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.

11. Payment by check or money order, payable to the order of the “Federal Communications Commission,” may be mailed to Forfeiture Collection Section, Finance Branch, Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251. Payment by overnight mail may be sent to Mellon Client Service Center, 500 Ross Street, Room 670, Pittsburgh, PA 15262-0001, Attn: FCC Module Supervisor. Payment by wire transfer may be made to: ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6229. The payment should note NAL/Acct. No. 200732170072.

12. The response, if any, must be mailed both to the Office of the Secretary, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554, ATTN: Enforcement

¹⁷ See *Get-Aways, Inc.*, Notice of Apparent Liability For Forfeiture, 15 FCC Rcd 1805 (1999); *Get-Aways, Inc.*, Forfeiture Order, 15 FCC Rcd 4843 (2000); see also *US Notary, Inc.*, Notice of Apparent Liability for Forfeiture, 15 Rcd 16999 (2000); *US Notary, Inc.*, Forfeiture Order, 16 FCC Rcd 18398 (2001); *Tri-Star Marketing, Inc.*, Notice of Apparent Liability For Forfeiture, 15 FCC Rcd 11295 (2000); *Tri-Star Marketing, Inc.*, Forfeiture Order, 15 FCC Rcd 23198 (2000).

¹⁸ See *Carolina Liquidators, Inc.*, Notice of Apparent Liability for Forfeiture, 15 FCC 16,837, 16,842 (2000); *21st Century Fax(es) Ltd., AKA 20th Century Fax(es)*, 15 FCC Rcd 24,406, 24,411 (2000).

¹⁹ See 47 U.S.C. § 503(b)(4)(C); 47 C.F.R. § 1.80(f)(3).

²⁰ 47 C.F.R. § 1.80.

Bureau – Telecommunications Consumers Division, and to Colleen Heitkamp, Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554, and must include the NAL/Acct. No. referenced in the caption.

13. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices; or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

14. Requests for payment of the full amount of this *Notice of Apparent Liability for Forfeiture* under an installment plan should be sent to: Chief, Revenue and Receivables Operations Group, 445 12th Street, SW, Washington, DC 20554.²¹

15. IT IS FURTHER ORDERED that a copy of this *Notice of Apparent Liability for Forfeiture* shall be sent by Certified Mail Return Receipt Requested to The Hot Lead LLC, Attention: Mr. Greg Horne, 16901 Dallas Parkway, Addison, Texas 75001 and The Hot Lead Company, Attention: Mr. Greg Horne, 1400 Preston Road #300, Plano, Texas 75903.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

²¹ 47 C.F.R. § 1.1914.

APPENDIX

Complainant sent facsimile solicitations	Violation Date(s)
Gary Ackerman	11/08/06; 01/20/07; 01/23/07
Lawrence H. Lee	09/14/06; 12/20/06; 12/26/06; 12/28/06; 01/12/07; 02/04/07; 02/06/07
Elaine Brunen	08/17/06; 09/16/06; 10/18/06; 10/26/06; 11/12/06; 11/19/06; 12/08/06; 12/28/06; 01/11/07; 01/21/07; 01/22/07; 01/24/07; 02/12/07; 02/18/07; 03/05/07
James Godfrey	12/22/06; 02/09/07
Jim Pelletier	10/16/06; 11/12/06; 12/10/06; 12/29/06; 01/28/07; 02/23/07
Ato Mensah	11/12/06
Allen Greene	03/02/07
Eugene Zoglio	12/10/06; 01/16/07; 01/18/07; 12/17/06; 01/13/07; 02/03/07; 02/04/07; 02/16/07; 02/26/07; 03/03/07
Robert Reed	02/25/07; 02/27/07; 02/28/07
Patricia Glenn	03/02/07; 03/03/07; 03/08/07; 03/14/07; 03/08/07
Van Wood	11/23/06; 01/10/07
Anne Sheafer	11/05/06
David Gamble	11/07/06
Regina Griffin	01/15/07; 01/17/07
John B. Agliano	11/02/06; 11/06/06; 11/07/06; 11/12/06; 11/14/06; 11/19/06; 12/02/06; 12/03/06; 12/10/06; 12/13/06; 12/28/06
Keith Nissen	01/10/07; 01/15/07; 01/26/07; 01/31/07; 02/14/07; 02/20/07; 03/06/07
Bruce Becker	01/09/07
William Walker	11/26/06; 12/07/06; 12/15/06; 01/07/07; 01/10/07; 01/31/07; 01/18/07; 01/22/07
Kathy Aquilino	01/11/07; 01/12/07; 01/23/07; 02/06/07; 02/10/07
Min Chen	01/18/07; 02/14/07
Don Roberts	02/19/07
Dale O'Brien	12/09/06
Randi Viola	12/10/06
Laura Palmberg	01/02/07; 02/05/07; 02/16/07; 03/20/07
Conor Soraghan	01/14/07; 01/15/07
Chris Franchetti Michaels	01/10/07
Deborah Silverstein	01/22/07
Rhona Flehinger	08/26/06; 09/04/06; 10/22/06; 10/28/06; 11/02/06; 11/23/06
Ben Jones	02/02/07
Maggie Church	01/16/07; 01/27/07
Robert Goodwin	02/17/06
Michael Hawkins	10/02/06; 10/05/06; 10/12/06; 10/18/06; 11/04/06; 11/14/06; 11/17/06; 11/22/06;

	11/29/06; 12/07/06; 12/11/06; 12/22/06; 01/03/07; 01/04/07; 01/05/07
James Watson	01/25/07
John Rushing	02/03/07
Alan Lynchosky	11/06/06
Anthony Sellars	02/06/07
Dan Silva	01/03/07; 01/11/07; 02/01/07; 02/04/07; 03/14/07
Ron Utterback	03/20/07
Alan Greene	12/05/06; 12/09/06; 12/28/06; 12/30/06; 01/20/07; 02/18/07; 03/02/07
Michael Rosenblatt	03/01/07; 03/02/07; 03/03/07
Michael Lavelle	02/14/07
Harvey Dureyee	02/09/07
Joan K. Berna	01/05/07
Russell Owen	01/04/07; 01/16/07; 01/27/07; 01/29/07
Susan O'Neill	02/05/07
Peter Skittone	12/01/06; 12/27/06
Chris DiPalma	12/31/06; 01/04/07
Nick Weaver	12/13/06
Brad Silverberg	12/14/06
Keith Hillman	01/02/07
Jon A. Cole	12/24/06; 12/28/06; 02/05/07; 03/10/07
Mike Slover	01/09/07
Karen Lee	11/23/06
Joe Crabb	11/11/06
Diane Howard	02/10/07; 02/17/07; 03/09/07
Frank Warner	01/30/07; 01/19/07; 02/11/07
Linda Griffith	11/11/06; 11/24/06; 12/02/06; 12/11/06; 12/28/06
Wendy Gulla	02/06/07; 02/07/07; 02/24/07; 03/04/07; 03/08/07
Edward O'Rourke	01/26/07; 02/13/07; 02/17/07
Lee Portnoff	01/30/07; 02/20/07; 03/03/07
Henry Perez	01/21/07; 01/26/07; 02/03/07
Judy Sherman	01/18/07
Julie Brown	01/08/07; 01/09/07
Greg Kielian	02/02/07; 02/04/07
Kenneth A. Bible	03/12/07
Carolyn Platz	10/28/06; 11/15/06; 11/15/06; 11/16/06; 11/17/06; 12/02/06; 12/02/06; 12/10/06; 12/24/06; 12/26/06; 12/30/06; 01/12/07; 01/23/07; 02/04/07; 02/11/07; 03/07/07
Focus Development Group	03/04/07
Jacqueline Keren	03/06/07
Judith Berke	02/01/07; 02/04/07
John Cassels	02/09/07
Linda L. Stillman	01/24/07
Dore Schcofler	01/16/07; 01/18/07; 01/22/07
Louis Neno	12/26/06
Bernard Shine	10/28/06; 11/17/06; 11/30/06; 12/04/06;

	12/20/06
Michael Dormady	01/16/07
Patricia Connelly	12/20/06; 01/30/07
Erin Wheeler	03/27/07
Harold Hallikainen	03/29/07
Mark Rigby	03/22/07
Peter Bye	01/19/07
Linda Mantone	03/20/07
William Mcdonough	12/12/06; 12/13/06
Vincent Stona	11/13/06; 11/19/06; 11/28/06
Michael Wagner	01/22/07
Chad Roeger	02/10/07; 02/20/07; 03/11/07; 03/17/07
Martha Carbana	02/26/07
Garry Jaffe	02/15/07

Complainant sent facsimile solicitations after requesting no more be sent	Violation Date(s)
Murray McDole	08/15/06; 11/07/06; 11/14/06; 11/19/06; 01/08/07; 02/03/07
Emil Berezky	09/11/06; 10/08/06; 10/17/06; 11/07/06; 11/19/06; 12/15/06; 12/17/06
Roberta Parkinson	02/05/07
Shaun Stuart	01/05/07; 02/03/07; 02/09/07; 02/13/07; 02/14/07; 02/22/07; 02/28/07; 03/23/07; 03/27/07
Marana Corn	09/01/06
Marvin Cheiten	11/12/06; 12/01/06; 12/04/06; 12/12/06; 01/01/07; 01/06/07; 01/20/07; 01/23/07; 02/14/07
David Kimmel	03/14/07; 03/14/07
Robert Josefek	10/16/06; 10/30/06; 11/02/06; 11/11/06; 11/26/06; 11/27/06; 12/03/06; 12/09/06; 12/13/06; 12/26/06; 12/27/06; 12/30/06; 01/10/07; 01/31/07; 02/04/07; 02/16/06; 02/22/07; 02/28/07; 03/22/07
James Sensenbach	08/16/06; 08/26/06; 09/05/06; 09/29/06; 10/18/06; 10/26/06; 11/08/06; 11/17/06; 11/26/06; 12/07/06; 12/11/06; 12/21/06; 01/02/07; 01/17/07; 01/19/07; 01/22/07
Pat Ng	03/06/07
Young Sun Lee	02/05/07
Jerry Jarrell	02/20/07; 02/24/07; 02/25/07
Danelle Davenport	09/16/06; 11/22/06; 12/19/06; 12/28/06; 01/19/07
Fred Yohe	02/15/07
Mary Mikit	02/27/07; 03/05/07; 03/08/07
Michael Kormas	12/10/06; 12/16/06; 12/26/06; 01/05/07; 01/27/07; 02/05/07
Lloyd Banton	01/13/07

Flo Jordan	02/07/07; 02/09/07; 02/13/07; 02/27/07
Mark PirkI	03/29/07; 03/29/07; 03/29/07
Peter Wentzel	03/27/07
Joe Stephan	03/13/07
Patricia Shiras	03/07/07
Ilya Epshteyn	03/01/07