

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

WEALTHPRESS HOLDINGS LLC, a
limited liability company,

INVESTPUB LLC, a limited liability
company,
and

CONOR LYNCH, individually and as an
officer of WEALTHPRESS HOLDINGS
LLC, and

ROGER SCOTT, individually and as an
officer of WEALTHPRESS HOLDINGS
LLC

Defendants.

Case No. 3:23-cv-46

**COMPLAINT FOR
PERMANENT INJUNCTION,
MONETARY RELIEF, CIVIL
PENALTIES, AND OTHER
RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Sections 5(m)(1)(A)-(B), 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(m)(1)(A)-(B), 53(b), and 57b, and under Section 5 of the Restore Online Shoppers’ Confidence Act (“ROSCA”), 15 U.S.C. § 8404, which authorize the FTC to seek,

and the Court to order, temporary, preliminary, and permanent injunctive relief, monetary relief, civil penalties, and other relief against Defendants for engaging in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a) and Section 4 of ROSCA, 15 U.S.C. § 8403, and that the Commission has previously determined to be unfair or deceptive, in connection with the sale and marketing of Defendants' goods and services.

SUMMARY OF CASE

2. Defendants, operating under the name “WealthPress,” convince consumers to spend hundreds, often thousands of dollars each, to purchase one of Defendants' numerous services that recommend trades in the financial markets. Each service is led by an individual claiming substantial relevant expertise which he will deploy—typically through a “system” or “strategy”—to provide subscribers recommendations of specific trades to place in the financial markets. Defendants' marketing features numerous examples of supposed highly profitable trades, testimonials from purportedly successful subscribers, claims about the purported experts' own wealth and expensive lifestyles supposedly funded by trading profits, and other claims, to convey the impression that purchasers will or are likely to make substantial profits by taking the recommended trades.

3. Defendants have no reasonable data to support their lavish earnings representations, which are often flatly made up or plainly false. Indeed, many

purchasers of Defendants’ “services” lose money trading, on top of the hefty sum they pay Defendants.

4. Defendants’ deceptive practices have violated the FTC Act and ROSCA.

5. On October 26, 2021, the FTC sent Defendants WealthPress Holdings, LLC and InvestPub, LLC (via its parent company), Notices of Penalty Offenses Concerning Money-Making Opportunities and Testimonials and Endorsements (the “Notices”), noting that Defendants could be subject to civil penalties for violations of the FTC Act in connection with their marketing claims, pursuant to 15 U.S.C. § 45(m)(1)(B); 16 C.F.R. § 1.98(e). The Notices stated that it is an unfair or deceptive trade practice to make false, misleading, or deceptive representations concerning the profits or earnings a participant in a money-making opportunity can expect or to engage in certain acts or practices related to consumer testimonials. Defendants have continued to use deceptive or unsubstantiated earnings claims in their marketing even after receiving the Notices.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355.

7. Venue is proper in this District under 28 U.S.C. § 1391(b)(2), (c)(1), (c)(2), (c)(3), and (d), 1395(a), and 15 U.S.C. § 53(b).

PLAINTIFF

8. The FTC is an independent agency of the United States Government created by the FTC Act, which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces ROSCA, 15 U.S.C. §§ 8401 *et seq.*, which prohibits certain methods of negative option marketing on the internet.

DEFENDANTS

9. Defendant WealthPress Holdings, LLC (“WealthPress”) is a Delaware limited liability company with its principal place of business at 7751 Belfort Parkway, Suite 120, Jacksonville, Florida 32256. Previously, WealthPress’s principal place of business was 495 Town Plaza Avenue, Ponte Vedra, Florida 32081. WealthPress transacts or has transacted business in this District and throughout the United States. At all times relevant to this Complaint, acting alone or in concert with others, WealthPress has advertised, marketed, distributed, or sold trade recommendation services to consumers throughout the United States.

10. Defendant InvestPub, LLC (“InvestPub”) is a Florida limited liability company with its principal place of business at 495 Town Plaza Avenue, Ponte Vedra, Florida 32081. InvestPub transacts or has transacted business in this District

and throughout the United States. InvestPub shares or has shared office space with WealthPress, and shares ownership. InvestPub participated in WealthPress's operations, including by marketing WealthPress's products or services. At times relevant to this Complaint, acting alone or in concert with others, InvestPub advertised, marketed, distributed, or sold trade recommendation services to consumers throughout the United States.

11. Defendant Conor Lynch ("Lynch") was Head Publisher of WealthPress. Until recently, Lynch owned one third of WealthPress through Happy Camper Publishing, Inc., a Canada-based company that Lynch solely owns. At times relevant to this Complaint, acting alone or in concert with others, Lynch has formulated, directed, controlled, had authority to control, or participated in the acts and practices of WealthPress, including the acts and practices set forth in this Complaint. For years, Lynch has managed the day-to-day operations of WealthPress. Lynch has written promotions or other marketing materials used to market WealthPress goods or services. Lynch has resided in Toronto, Canada and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

12. Defendant Roger Scott ("Scott") is WealthPress's most featured purported trading expert and participates in managing WealthPress. Scott appears in WealthPress's advertising, stars in a substantial portion of its marketing videos,

develops new WealthPress programs, and claims to operate a number of its trade recommendation services. Scott owns one third of WealthPress through Market Geeks LLC, a company he solely owns. At times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Scott resides in Ponte Vedra, Florida, and in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

COMMON ENTERPRISE

13. Defendants WealthPress and InvestPub (“collectively, “Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive and unlawful acts and practices and other violations of law alleged below. Corporate Defendants have conducted the business practices described below through interrelated companies that have common ownership, managers, business functions, employees, office locations, advertising, and marketing. Because these Corporate Defendants have operated as a common enterprise, each of them is liable for the acts and practices alleged below.

COMMERCE

14. At all times relevant to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

15. Defendants offer or have offered scores of services to the public that recommend trades in financial markets (“trade recommendation services”), chiefly through online video promotions. Defendants frequently launch new trade recommendation services. Each trade recommendation service is ostensibly led by a specific purported WealthPress expert who stars in its promotional videos. Defendants represent that the purported expert leveraged his extensive expertise to develop an algorithm or strategy that consistently identifies extremely profitable trades, that he uses the algorithm or strategy to generate substantial trading profits, and that subscribers will get specific trade recommendations from the algorithm or strategy, leading to similar substantial trading profits for them, regardless of their experience, knowledge, available capital, or available time. Defendants represent that the alerts provide all the information needed to place and close the trades—subscribers do not need any special knowledge or expertise.

16. Subscribers to a WealthPress trade recommendation service are given access to a members-only page on WealthPress’s website, and periodically receive

trade alerts via email or text message. The trade alerts advise the subscribers that a new trade recommendation has been posted to the members-only page. Subscribers who log on can view specific details regarding the recommended trade, such as the security, the price, and the timing of the recommended trade. For example:

6/7/21

Ticket: KAR Kar auction services

Expiration: July 16, 2021

Strike price: \$20 strike calls

Position size: medium (4-6%)

Buy to open the KAR July 16, 2021 expiration 20 strike calls at .40

First profit target: .60

17. Defendants represent that subscribers will or are likely to make substantial profits by taking the recommended trades. In numerous instances, however, consumers have instead lost substantial sums of money when investing based on Defendants' trade recommendations, not counting the thousands of dollars individual consumers paid for access to Defendants' trade recommendation services.

18. Buried in a purported disclaimer on their website, described further below, Defendants admit they have no substantiation for their claims that consumers are likely to make the advertised profits or income. Defendants admit that the claims made in their consumer testimonials are not typical of consumers using their services.

19. Numerous consumers have realized Defendants' services do not work as claimed. In many cases, Defendants have denied consumers' refund requests.

20. Defendants instruct their customer service representatives to funnel cancellation requests to a team of "retention specialists" who are tasked with trying to induce consumers not to cancel.

Defendants' Advertising

21. Defendants have offered at least eighty-five trade recommendation or other related services since WealthPress's inception, each ostensibly helmed by a specific purported expert. Although the lineup of services and purported experts has changed over time, Defendants' advertisements for their trade recommendation services typically follow the same playbook.

22. Defendants use targeted advertising on widely-used websites, including YouTube, to show advertisements to consumers who search for or view content relating to securities trading. For example, FTC staff encountered a video advertisement for a WealthPress trade recommendation service, "Blitz Alerts," while searching for videos on trading advice on YouTube.

23. During this five-minute video, a purported expert represents to consumers that if they subscribe to his Blitz Alerts service, they will make substantial income, including through statements such as:

- “I’ll show you how you can potentially make \$24,840 dollars—or more—*every single week*. With [] quick simple ... trades that require zero market knowledge or trading experience.”
- He “hired a team of world-class programmers” who built “a specialized tool” that reliably identifies such trade opportunities before they happen.
- The system alerted subscribers to a trade on Nordstrom that the “expert” personally took, and which returned over 400% profit overnight, while he spent the day fishing.

24. In many instances, the trades described were never actually made, and neither the purported experts nor their subscribers reaped the profits cited. Indeed, in many cases, the trades are entirely fictional, representing nothing more than calculations based on historical price data.

25. Consumers who click the advertised link are taken to a WealthPress website with further marketing for the service. The websites frequently advertise a free presentation or webinar, which is in truth a lengthy, pre-recorded, video sales presentation or “video sales letter” (“VSL”). Defendants often depict the VSL in terms that imply it will be held, live, in a matter of minutes after the consumer arrives at the webpage, and request the consumer enter an email address to be given access to the VSL.

26. For example, consumers who clicked the link from the Blitz Alerts YouTube advertisement described above would be taken to a webpage touting the service. The page offered a free event purportedly about to start within minutes and asked for the consumer’s email address in order to access it. Some consumers

arrive at such pages via other marketing channels, such as email marketing and banner advertisements.

27. Defendants gather consumer contact information in additional ways, including by offering free newsletters and market analysis videos to consumers who provide an email address.

28. After consumers submit their email address to Defendants, they are bombarded with numerous emails every day, advertising Defendants' trade recommendation services. Consumers receive these emails directly from WealthPress, but also from its affiliates, such as InvestPub. The emails often feature various purported WealthPress experts promoting each other's trade recommendation services.

Defendants' VSLs

29. Many of the emails Defendants send to consumers urge consumers to sign up or register for purportedly live events or presentations. Those who do are sent a link. In many instances, the links take consumers to pre-recorded VSLs advertising Defendants' services.

30. The VSLs are typically between 30 minutes and an hour. They feature purported experts making numerous earnings claims. The VSLs often appear to be—but are not—extemporaneous discussions among the purported experts. Instead, they are scripted.

31. Defendants' purported experts describe specific trades that the service purportedly recommended to subscribers, invariably yielding substantial profits. For example, Roger Scott, in a VSL for a service called "Robinhood Effect," describes numerous supposed profitable trades that his system alerted him to, including trades on which he claims returns of 260% in two weeks, 316% in just over a week, 71% in over three weeks, and 51% in just days. In the Blitz Alerts VSL, the purported expert tells consumers that his system alerted him to the purportedly lucrative Nordstrom trade described above. And that a week later, his system alerted him to two more trades, this time netting him and subscribers who invested \$1,000, returns of \$7,330 on Dollar General and \$12,100 on Guess, overnight, while "you could have spent the ... afternoon on the golf course." Similarly, in a VSL for "Primetime," another purported expert describes numerous supposed profitable trades that his Primetime system had alerted him to, including specific trades yielding profits of 88%, 68% overnight, \$2,500 into \$4,140, and \$1,000 into \$1,927 in three days.

32. In many cases the trades depicted are not real, were not actually taken by Defendants, and were not sent to subscribers. Rather, Defendants searched historical price information for significant price changes, and then pretended that their service had predicted those changes before they happened. Defendants do not disclose this fact to consumers, but instead pretend that past subscribers were able

to place highly profitable trades that, in reality, are entirely fictional and shed no light on the likelihood that subscribers will actually attain substantial profits. The supposed Nordstrom, Dollar General, and Guess trades referenced above would have predated the offering of Blitz Alerts to the public and so could not have been sent to subscribers.

33. In the VSLs, Defendants' purported experts extol their own purported trading prowess, credentials, and expertise, including by name-dropping prominent institutions and individuals they claim to have worked for or with.

34. Defendants' purported experts represent to consumers that they are personally responsible for the trade recommendations sent to subscribers, or that the trades recommended by their service are based on an algorithm or strategy that the purported expert personally discovered or developed. These representations convey the impression that the trades the service recommends to subscribers are more likely to be profitable because of the purported expert's supposed algorithms, expertise, inside knowledge, or personal involvement in selecting them.

35. In many instances the purported expert also claims to have hired a team of programmers to help him develop and implement his strategy. For example, in the Blitz Alerts VSL, the purported expert tells consumers about his time working at "Citi Group, one of the biggest investment banks in the world," where, he claims, he was tasked with making money for clients using Shadow

Blitzes. He tells consumers that when he saw how “powerful” they were, he hired a team of programmers to “build a specialized tool” that identifies Shadow Blitzes before they happen, for use in his own trading. He then claims that the Blitz Alerts service’s trade recommendations are generated by that “tool” and that he personally double checks them before they are sent out to subscribers.

36. Contrary to the above-described representations, in many cases the trade recommendations sent to subscribers are actually generated by WealthPress with little or no involvement by the purported expert. Rather, in many cases, prior to the launch of a new service the purported expert provides WealthPress with some general trading concepts or strategy ideas, WealthPress devises a name and marketing strategy for the service, and, after subscriptions begin to be sold, WealthPress selects and sends trade recommendations to subscribers with no further involvement by the purported expert. In many instances, including Blitz Alerts, the purported expert, contrary to their claims, did not in fact hire a team to develop the strategy or algorithm.

37. In the VSLs, Defendants’ purported experts represent to consumers that they personally make the trades recommended by their service, and have reaped substantial profits from those trades. In many cases, the purported experts specifically claim to have made the trades featured in the VSL, and assert that profits depicted are real, not fake or hypothetical. For example, in the Blitz Alerts

VSL the purported expert tells consumers: “Listen, this is not a hypothetical example. I personally placed the trade on Nordstrom. In fact, I took every single trade I’m about to share with you today.”

38. In many cases, contrary to what they tell consumers, the purported experts did not actually place the trades they describe.

39. In the VSLs, Defendants’ purported experts state or imply that they have reaped substantial profits by making the trades their system recommends to subscribers, including by depicting a lavish lifestyle that their strategy has purportedly afforded them, and which it will supposedly make possible for subscribers, as well. Roger Scott, in a VSL for “Robinhood Effect,” tells consumers that he has used the service’s method to grow his account from a few thousand to tens of millions of dollars, implying that profits from the service’s recommendations enabled him to buy a home in Beverly Hills next door to Julia Roberts and Eddie Van Halen, and charter private planes to take him on vacation. Similarly, in the Blitz Alerts VSL the purported expert tells consumers that his algorithm allows him to spend mere minutes placing trades, and then go about his days fishing, wakeboarding, and drinking and smoking cigars with friends, and the VSL features a montage depicting him doing that. He claims that his trading success allowed him to buy “a house in Tampa, [and] then [his] first boat,” and when he returns from his various leisure pursuits, he simply checks his previous

trades and realizes profits of close to \$10,000. The purported PrimeTime expert claims his system allows him “to do whatever I want, whenever I want,” that it has “granted me ultimate freedom,” and he’ll never have to work again. He claims he has bought two houses and a brand new Corvette with profits from his system’s trades.

40. In truth, in many cases the purported experts do not generate substantial income through trading in the financial markets, and do not fund their lifestyle with profits from their trading, but instead rely on income from the sale of trade recommendation services to consumers. And, as described below, Defendants have no reason to believe that the trade recommendations sent to subscribers will provide them with profits similar to those described, or wealth sufficient to fund the expensive lifestyle depicted.

41. In the VSLs, Defendants’ purported experts depict or describe numerous supposed testimonials from allegedly successful users of the advertised trade recommendation service, implying that the results described are likely or typical. For example, the Blitz Alerts VSL features purported subscribers claiming results such as \$4,497.50 overnight, and returns of 962.5%, and 1,250%. Similarly, testimonialists featured in the PrimeTime VSL claim to have turned \$5,000 into \$22,516.93, to get average returns of 20% per trade, and to be “just getting started” with profits of \$7,404.

42. In truth, the results described in the testimonials are far from typical. As explained in Paragraphs 60-61 below, Defendants admit, in poorly disclosed fine-print disclaimers, that “[t]he testimonials and examples used herein are exceptional results, which do not apply to the average member and are not intended to represent or guarantee that anyone will achieve the same or similar results.” In some cases, Defendants have featured testimonials in VSLs without making any effort to confirm the validity of the claims made in the testimonials. In some cases, VSLs feature testimonials that are not even from subscribers to the service being offered, or that are based on trades not recommended to subscribers to the service being offered.

43. In the VSLs, Defendants’ purported experts tell consumers that purchasers will or are likely to reap substantial profits with the service’s trade recommendations. For example, in the “Robinhood Effect” VSL, Scott implies his service will let subscribers “track the BIG money” and “could quite literally transform your life.” He suggests subscribers can anticipate 200% to 500% gains, that returns of 64%, 58.4%, 148.48% and 235% are typical, and that 74% of trades are profitable. Similarly, in the Blitz Alerts VSL the purported expert tells consumers that if they “do exactly what the steps outline,” they could “collect an easy \$7,000 the very next day,” implies that subscribers will reap at least 300% returns on every trade, and says he believes the service will “make you very

wealthy very quickly,” and “put you on the path to millionaire status, no matter your starting point today.”

44. In truth, Defendants have no basis for representing that purchasers are likely to realize substantial profits, or any profits at all.

45. In the VSLs, Defendant’s purported experts tell consumers that they will be able to easily make the trades recommended, without substantial capital or expertise, and that subscribers will be provided all the necessary details to place the recommended trades, such as the exact securities to purchase or sell, the time and price at which to execute the trade, and when and how to close out the trade. For example, in the Robinhood Effect VSL Scott claims the service is “real simple, its’s effortless, and it’s objective,” that consumers do not need any special knowledge or account to take the trades, that “we give you everything you need, and if you’re a beginner not a problem,” and that consumers only need a few thousand dollars to use the service to profit. Similarly, the Blitz Alerts VSL tells consumers they can profit without any experience or investing credentials, that the service is “so simple and so easy that anybody could do it with just a few minutes of free time,” and that subscribers need only place a trade before the market closes to reap the advertised profits.

46. In many cases, subscribers are unable to place all of the trades recommended by a service, for example due to a lack of capital, or are not

provided with all of the details of how to open and close recommended trades. In many cases, subscribers who do place a recommended trade do not reap the advertised profit, and, in many cases, make no money or lose money.

47. Toward the end of the VSL, Defendants' purported experts offer their service for sale, and typically make representations designed to convey a sense of urgency. These claims frequently include a representation that the number of spots or subscriptions available is limited. The VSLs also represent that consumers who purchase promptly will receive a substantial discount, including through depictions of a purported "retail" price several times greater than the price advertised in the VSL. These claims attempt to pressure consumers to sign up quickly to avoid missing the opportunity. For example, in the Blitz Alerts VSL, consumers are told that spots are limited and that "the doors close" after 199 subscriptions are sold because the service would lose its power if it were made available to too many people. The PrimeTime VSL similarly claims "there's limited spots available today at this special rate," after which the price will be at least \$14,997.

48. In many cases in which Defendants have made such claims of limited availability, Defendants were willing to, and did, sell more subscriptions than the limited number they advertised, and did not actually charge prospective purchasers the purported "retail" prices. For example, contrary to the claims that only 199 subscriptions of Blitz Alerts would be sold, in the first year alone Defendants sold

more than 1,800 subscriptions. And Defendants never sold the PrimeTime service for \$14,997—most subscriptions were sold for \$1,497, and all but a handful were sold for \$2,497 or less.

49. Defendants’ purported experts are paid a percentage of the revenue generated by the services they promote, and so have direct knowledge that sales exceed the advertised limits.

50. In the VSLs, Defendants’ purported experts make representations stating or implying that purchasing the service and making the recommended trades poses low or no risk to consumers. These statements vary, but often include claims that the strategy selects low-risk trades, purported representations of past trade results that imply that trades are consistently profitable, and even explicit guarantees to consumers, the exact terms of which vary, but which impliedly or explicitly convey a drastic reduction or complete removal of the risk for consumers. Such statements convey to consumers that Defendants’ trade recommendation services involve little risk or no risk at all. For example, in the Blitz Alerts VSL, the purported expert tells consumers that if they place trades “at 3:30 p.m., then cash out at 10 a.m.,” they will have “[l]ow risk [and] extremely high rewards;” claims that “because of the steep price discount and trading secrets you’ll receive ... the risk is almost entirely on me;” and implies that every trade will yield at least 300% gains. The PrimeTime VSL claims the system exploits “a

repeatable pattern that's handed out double digit winners over and over, like clock-work," is "the best way to predict the next stock market move," and is "the opportunity of a lifetime for anyone who wants to retire stress free." At one point, the purported expert describes a series of profitable trades allegedly sent to subscribers, concluding "[y]our account would be at nearly forty grand in just a few weeks' time, and you wouldn't have even risked a penny of your profits along the way." He also offers a "guarantee" that, he says, "take[s] all the risk of the program off you."

51. In truth, contrary to Defendants' representations many purchasers have lost significant amounts of money or been unable to recoup the cost of the service through trading profits.

Defendants' Representations Are Deceptive and False

52. In many cases, representations such as those described in Paragraphs 15 to 50 were deceptive, unsubstantiated, or misleading for the reasons noted above at Paragraphs 15 to 51.

53. In truth, and contrary to the claims made by Defendants and their purported experts, the testimonials and trading profits depicted in Defendants' advertising are not typical, and Defendants' representations that subscribers are likely to reap substantial profits have no reasonable basis. Defendants do not know whether purchasers of their trade recommendation services typically make profits

or, if so, how much. In reality, many consumers who purchased Defendants' trade recommendation services lost money trading in the financial markets. Defendants' own very limited internal surveys revealed that a number of purchasers had lost money, and that purchasers' results typically varied—often substantially—from those documented in Defendants' trackers. In some cases, Defendants' own trackers demonstrated that trade recommendation services were likely causing subscribers to lose money. In some cases, Defendants chose to shutter those programs and cease marketing them.

54. Contrary to Defendants' representations, and as Defendants' own trackers show, many of the trades recommended by Defendants' services resulted in substantial losses, up to and including total, 100% losses.

55. By WealthPress's own reckoning, some services lost money overall. For example, WealthPress records show that consumers would have lost money overall by following the PrimeTime service's recommendations.

56. For at least one service, Blitz Alerts, despite a tracker purporting to show overall profits, Defendants' records show that substantial numbers of subscribers, and even their own purported experts, have frequently been unable to realize the profits documented in the tracker for the recommended trades.

57. Defendants' scripts for their customer service representatives include advice on how to handle consumers who are “upset about losses in trades and how

it's affecting them," and Defendants even have a form email response to consumers reaching out with frustrations about their trading outcomes, which begins "We are sorry to hear your trading experience is not off to a good start."

58. Defendants also dealt with persistently high chargeback ratios. Historically, one of the primary indicators a merchant is engaged in fraudulent conduct is a high chargeback rate. Chargebacks occur when customers contact their credit card issuing bank to dispute a charge appearing on their credit card account statement. Card networks have chargeback monitoring programs designed to flag merchants with excessive chargeback rates (*e.g.*, 100 or more chargebacks in one month, and a monthly chargeback-to-transaction ratio of 1% or greater). Merchants placed in excessive chargeback programs are subject to additional scrutiny by the card networks, as well as possible fines and termination. If a merchant's account is terminated for excessive chargebacks, an acquirer must place the merchant on a list maintained by the card networks. Mastercard, for example, maintains the Member Alert to Control High-risk Merchants ("MATCH") list, which identifies terminated merchants and their principals and the reason for termination. WealthPress's persistently high chargeback ratios got it placed on MasterCard's MATCH list.

59. The MATCH list is intended to alert credit card network members of potentially fraudulent or high-risk merchants, and banks and payment processors

often have policies that forbid them from opening accounts for merchants that appear on the MATCH list. Defendants' high chargeback rates and MATCH listing were a glaring red flag to banks and payment processors that consumers were not receiving what had been advertised to them, and it led several payment processors to cease processing for Defendants or to decline to open new accounts for them. For example, nearly 6% of purchasers in the initial launch of Blitz eventually filed chargebacks.

60. In their disclaimers, Defendants admit that the basis for much of their earnings claims—the purported past performance of the service or purported expert—cannot substantiate their claims about subscribers' likely results. In their disclaimers, Defendants also explicitly state that the testimonials and example trade profits they feature represent extraordinary, not typical results. For example, Defendants' disclaimers state, among other things, that "Past Performance is Not Indicative of Future Results," "[t]he testimonials and examples used ... are exceptional results," and that "[t]here can be no assurance that the future performance of any specific investment, investment strategy, or product ... will be profitable."

61. Defendants' disclaimers also directly contradict the message conveyed by their marketing—that subscribers who take the recommended trades are likely to reap substantial profits. For example, Defendants' disclaimers state

that “[n]o representation is being made that any account will or is likely to achieve profits or losses similar to those discussed,” and that “[n]o representation or implication is being made that using the methodology or system will generate profits or ensure freedom from losses.”

Sales of Defendants’ Trade Recommendation Services

62. At the end of the VSL, Defendants’ purported experts tell consumers to click on a link to complete their purchase online, or to call a telephone number

listed on their screen to complete their purchase on the telephone.

Consumers who click the link are taken to a separate order page. In

most cases, the order page

prominently features additional

claims of the substantial income

subscribers can expect. Defendants’

trade recommendation services are

typically priced between \$1,000 and

\$2,500. An example order page is

shown in **Figure 1**.

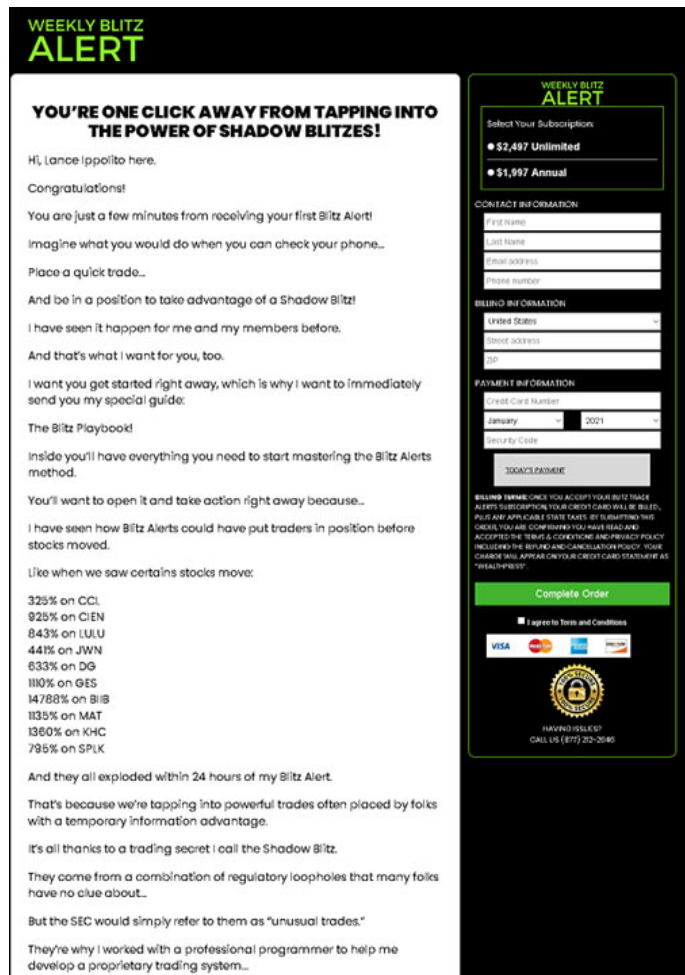


Figure 1: Screenshot of top third of WealthPress Blitz order page.

Defendants' Services

63. After a consumer signs up for a trade recommendation service, the consumer is given access to a password-protected members' page on WealthPress's website. Subscribers who access the members' page typically are able to view a log or "tracker" listing what purports to be all past trades recommended by the service, and the results of each trade, among other materials. The trackers typically also include calculated figures representing the net overall profit a subscriber purportedly would have earned from taking all of the trades. However, none of the trades depicted in the trackers was actually made by WealthPress or its purported experts. Instead, they represent paper trading of a fictional portfolio that never actually exposes Defendants to the market. The entry and exit prices in the trackers are ostensibly taken from publicly available pricing data, and the profits or losses depicted are purely hypothetical.

64. In many cases, the trackers also include supposed trades that pre-date the first trade the service recommended to subscribers. These "trades" are wholly fabricated. Defendants or their purported experts comb through historical price data to identify significant price changes, and then purport to have made wildly profitable "trades" capitalizing on them. The inclusion of these fake trades in the trackers falsely inflates the apparent profitability of the services.

65. Defendants send subscribers periodic emails or texts with trade alerts.

In many cases, the email or text alert does not contain the details of the recommended trade; subscribers wishing to view the details must log in to the members' page and navigate to the specific section where they are posted.

Defendants' Purported Disclaimers Do Not Cure Their Misrepresentations

66. Defendants' purported disclaimers are ineffective and fail to prevent their earnings claims from being misleading and deceptive.

67. Defendants' disclaimers are not prominently displayed. To find the main disclaimer text on Defendants' website, a consumer would have to scroll to the very bottom of Defendants' website's homepage and find and click a small text link. The link takes the user to a separate page displaying an extremely lengthy disclaimer, in legalistic wording, small print, and grey font. Consumers are unlikely to see this disclaimer, and unlikely to read it if they do. Other disclaimers, including in VSLs and on payment pages, are similarly not prominent, clear, or conspicuous. Even if read, the language of the disclaimers fails to prevent or dispel the misleading impression of likely earnings conveyed by Defendants' marketing.

Defendants' Use of Negative Options

68. Defendants typically offer membership in their trade recommendation services for a specific period, such as a year or two years. Many of the offerings have included an auto-renew feature. Under this feature, when the memberships are about to expire, Defendants auto-enroll consumers into a recurring subscription

that can cost as much or more than \$1,000 per year, depending on the original plan the consumer purchased. Defendants automatically renew consumers' memberships and the renewed membership charges are applied to the consumer's credit card or original payment method, unless the consumer cancels prior to the auto-renewal. Online sales of Defendants' services that included an auto-renew feature have generated substantial revenue for Defendants.

Defendants' Failure to Disclose Material Terms to Online Purchasers

69. In many cases, Defendants do not clearly disclose all material terms of the transaction to purchasers who purchase online prior to obtaining the purchasers' billing information.

70. Defendants purport to bind purchasers to numerous "Terms and Conditions" set out in an easily-overlooked page of their website, many of which are material. In many cases, Defendants do not clearly and conspicuously disclose to online purchasers all material terms of the transaction, as stated in Defendants' poorly disclosed "Terms & Conditions," including the following:

- a. "WealthPress does not represent that any account will or is likely to achieve profits or losses similar to those discussed on the Site."
- b. "The past performance of any trading system or methodology is not necessarily indicative of future results."
- c. "WealthPress does not provide personalized investment advice."

d. “None of the content provided on the Site or through any of WealthPress’ services should be construed as ... a recommendation for any security by WealthPress or any third party.”

e. “Testimonials ... do not necessarily reflect the experience that you may have using our products or services.”

Defendants’ Failure to Obtain Express Informed Consent

71. In many cases, Defendants do not obtain consumers’ express informed consent before charging them in online transactions involving a negative option feature.

72. In many cases, consumers seeking to purchase Defendants’ goods or services are not aware of the terms set out in Paragraph 70, and are otherwise unaware of the information those terms convey, including that Defendants expressly deny having a basis to reasonably anticipate that purchasers are likely to make substantial income by taking the recommended trades.

Defendants Continued to Violate the Law Despite FTC Warnings

73. Defendants market their trade recommendation services by touting specific examples of the purported trading experts’ supposed highly-profitable trades, by sharing testimonials from purportedly successful subscribers, and by claiming consumers can make consistent and substantial profits regardless of experience, wealth, or available time.

74. Defendants' representations, including those cited above, conveyed to consumers the impression that purchasers of Defendants' services would or were likely to make substantial profits by taking the recommended trades. Defendants did not have an adequate basis to make these representations. In many cases purchasers who attempted to follow Defendants' trade recommendations did not make substantial income, and many lost money.

75. Despite serious chargeback issues, and direct knowledge that many consumers were losing substantial amounts of money, Defendants chose to keep marketing their trade recommendation services using unsubstantiated, misleading, and dishonest claims.

76. In October 2021, the FTC served Defendants with Civil Investigative Demands ("CIDs") seeking documents and information pertaining to, among other things, Defendants' use of earnings claims and the possibility that those claims were deceptive. The CIDs stated that the subject of the FTC's investigation was whether WealthPress and related parties "have engaged in deceptive or unfair acts or practices, including making false or unsubstantiated earnings claims in connection with the online marketing and sale of trading advice or related services...."

77. Also in October 2021, the FTC sent letters to WealthPress and InvestPub's parent company, along with copies of the Notice of Penalty Offenses

Concerning Money-Making Opportunities and Notice of Penalty Offenses Around Endorsements and Testimonials. The letters and Notice of Penalty Offenses identified specific acts or practices that the Commission has determined are unfair or deceptive and violate Section 5 of the FTC Act.

78. As detailed in the Notices enclosed with the letters, in a series of litigated decisions the Commission determined, among other things, that it is an unfair or deceptive trade practice to make false, misleading or deceptive representations concerning the profits or earnings that may be anticipated by a participant in a money-making opportunity (i.e., a person who has been accepted or hired for, has purchased, or otherwise is engaging in the money-making opportunity).

79. As the letters stated, the above acts or practices were prohibited by final cease and desist orders, other than consent orders, issued in the cases (cited in the Notices) in which the Commission determined they were unfair or deceptive and unlawful under Section 5(a)(1) of the FTC Act. The letters warned Defendants of their potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), for knowingly engaging in acts or practices determined by the Commission to be unfair or deceptive and unlawful, as described in Paragraph 78 of this Complaint.

80. The letters instructed Defendants to contact Commission staff if they had any questions or to visit the Commission’s website at ftc.gov/MMO-notice and www.ftc.gov/endorsement-notice-penalty-offenses to obtain copies of the case decisions discussed in the Notice.

81. WealthPress and InvestPub (through its parent company) received these letters on October 27, 2021, and in some cases made the purported trading experts aware that they had received them.

82. On May 2, 2022, the FTC sent letters to Scott, Lynch, and other individuals involved with WealthPress, including the purported “experts” responsible for Blitz Alerts, PrimeTime, and other WealthPress services, along with copies of the Notice of Penalty Offenses Concerning Money-Making Opportunities and Notice of Penalty Offenses Around Endorsements and Testimonials. The letters were substantially similar to those described in Paragraphs 77 to 80 above, but also stated that FTC staff was investigating whether the recipients or related parties engaged in deceptive or unfair conduct.

83. Defendants Scott and Lynch received the letters and the accompanying Notices on or about May 2, 2022.

84. Despite learning of the FTC’s investigation and despite receiving the Notices of Penalty Offenses, Defendants continue to make misleading earnings claims in marketing their trade recommendation services.

85. For example, Scott, in a VSL for “Super Stocks,” that was disseminated to the public as recently as March 22, 2022, suggested the service would allow consumers to consistently outperform the S&P 500 by a factor of 10, showcased trades yielding 40.74% and 50.63% in a week’s time, telling consumers “these are not outliers, these are everyday trades, these are just meat and potato trades,” while small print disclaimers admit that the “profits and performance shown are not typical,” and presented testimonials from purported subscribers including one claiming to have made 90% returns starting with \$4,000, and another claiming 80% returns in only 10 months, while again a small print disclaimer admits that the claims “are not typical.”

86. Therefore, based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission.

VIOLATIONS OF THE FTC ACT

87. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

88. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I – False or Unsubstantiated Earnings Claims

89. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants’ trade recommendation services, Defendants represent, directly or indirectly, expressly or by implication, that purchasers will or are likely to make substantial profits by taking the recommended trades.

90. The representations set forth in Paragraph 89 are false, misleading, or were not substantiated at the time the representations were made.

91. Therefore, the making of the representations as set forth in Paragraph 89 constitutes deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II – Misrepresentations Regarding Defendants’ Algorithms

92. In numerous instances in connection with the advertising, marketing, promotion, offering for sale or sale of Defendants’ trade recommendation services Defendants represent, directly or indirectly, expressly or by implication, that:

- a. Defendants’ purported experts are personally involved in selecting or approving each trade that Defendants recommend to subscribers;

b. The trades that Defendants recommend to subscribers are based on an algorithm or strategy that Defendants' purported expert personally discovered or developed;

c. The trades that Defendants recommend to subscribers are more likely to be profitable because of the purported expert's supposed algorithms, expertise, inside knowledge, or personal involvement in selecting them;

d. The trades that Defendants recommend to subscribers are generated by algorithms or systems built by a team of programmers or other professionals whom the purported expert hired to help him develop and implement the algorithm or system; or

e. The trades that Defendants recommend to subscribers are generated by algorithms or systems which the purported expert has spent substantial amounts of money to develop.

93. The representations set forth in Paragraph 92 are false or misleading or were not substantiated at the time the representations were made.

94. Therefore, Defendants' representations as set forth in Paragraph 92 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III – Other Misrepresentations Regarding Defendants’ Services

95. In numerous instances in connection with the advertising, marketing, promotion, offering for sale or sale of Defendants’ trade recommendation services Defendants represent, directly or indirectly, expressly or by implication, that:

- a. Consumers will or are likely to earn substantial income using Defendants’ services even if they have little to no experience in securities trading;
- b. Consumers will or are likely to earn substantial income using Defendants’ services even if they spend only a short amount of time each day or each week using the service;
- c. Consumers will or are likely to earn substantial income using Defendants’ services even if they do not have a substantial sum of money to invest;
- d. Consumers who do not purchase promptly will be unable to do so at all, or will pay a substantially higher price for Defendants’ services; or
- e. Purchasing the service and making the recommended trades poses low or no risk to consumers.

96. The representations set forth in Paragraph 95 are false or misleading or were not substantiated at the time the representations were made.

97. Therefore, Defendants' representations as set forth in Paragraph 95 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**VIOLATIONS OF THE RESTORE
ONLINE SHOPPERS CONFIDENCE ACT**

98. In 2010, Congress passed the Restore Online Shoppers' Confidence Act, 15 U.S.C. §§ 8401 *et seq.*, which become effective on December 29, 2010. Congress passed ROSCA because “[c]onsumer confidence is essential to growth of online commerce. To continue its development as a marketplace, the Internet must provide consumers with clear, accurate information and give sellers an opportunity to fairly compete with one another for consumers' business.” Section 2 of ROSCA, 15 U.S.C. § 8401.

99. Section 4 of ROSCA, 15 U.S.C. § 8403, generally prohibits charging consumers for goods or services sold in transactions effected on the Internet through a negative option feature, as that term is defined in the Commission's Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.2(w), unless the seller (1) clearly and conspicuously discloses all material terms of the transaction before obtaining the consumers' billing information, (2) obtains the consumer's express informed consent before making the charge, and (3) provides a simple mechanism to stop recurring charges. *See* 15 U.S.C. § 8403.

100. The TSR defines a negative option feature as: “in an offer or agreement to sell or provide any goods or services, a provision under which the customer’s silence or failure to take an affirmative action to reject goods or services or to cancel the agreement is interpreted by the seller as acceptance of the offer.” 16 C.F.R. § 310.2(w).

101. As described in Paragraphs 62 to 72, above, Defendants have advertised and sold trade recommendation services and related goods and services to consumers through a negative option feature as defined by the TSR. *See* 16 C.F.R. § 310.2(w).

102. Pursuant to Section 5 of ROSCA, 15 U.S.C. § 8404, a violation of ROSCA is a violation of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a.

103. Section 5 of ROSCA, 15 U.S.C. § 8404, and Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114-74, sec. 701, 129 Stat. 599 (2015), and Section 1.98(d) of the FTC’s Rules of Practice, 16 C.F.R. § 1.98(d), effective January 10, 2022, authorize the award of monetary civil penalties of not more than \$46,517 for each violation

of ROSCA assessed after January 10, 2022, including penalties whose associated violation predated January 10, 2022.

104. Defendants' violations of ROSCA set forth below were committed with the knowledge required by Section 5(m)(1)(A) of the FTC Act, U.S.C. § 45(m)(1)(A).

Count IV – Violations of ROSCA

105. In numerous instances, as described in Paragraphs 62 to 72, Defendants charge or attempt to charge consumers for Defendants' goods or services sold in transactions effected on the Internet through a negative option feature, while failing:

- a. to clearly and conspicuously disclose all material terms of the transaction before obtaining the consumer's billing information; or
- b. to obtain the consumer's express informed consent before charging the consumer's credit card, debit card, bank account, or other financial account for the transaction.

106. Defendants' acts or practices as set forth in Paragraph 105 are a violation of Section 4 of ROSCA, 15 U.S.C. § 8403, and are therefore a violation of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a, 15 U.S.C. § 8404(a), and therefore constitute an unfair or deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**VIOLATIONS OF PRIOR COMMISSION DETERMINATIONS
CONCERNING UNFAIR OR DECEPTIVE ACTS OR PRACTICES**

107. Pursuant to Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), if the Commission has determined in a proceeding under section 5(b) of the FTC Act, 15 U.S.C. § 45(b), that an act or practice is unfair or deceptive and issued a final cease and desist order, other than a consent order, with respect to the act or practice, then a person, partnership, or corporation that engages in such act or practice with actual knowledge that such act or practice is unfair or deceptive and is unlawful under Section 5(a)(1) of the FTC Act shall be liable for civil penalties.

108. In prior litigated decisions the Commission has determined that the acts or practices described in Paragraph 78, above, are unfair or deceptive and violate Section 5(a)(1) of the FTC Act and issued final cease and desist orders, other than consent orders, with respect to those acts or practices.

109. Pursuant to Section 5(m)(1)(B) of the FTC Act, for the purpose of computing civil penalties, each and every instance that Defendant WealthPress has made to a consumer a misrepresentation identified in the Notices, including each and every instance that WealthPress shows a VSL or other promotion that included such a misrepresentation to a consumer, or causes the same to be shown to a consumer, since receiving the letters and Notices constitutes an act or practice that

the Commission has determined in a prior proceeding to be unfair or deceptive and unlawful under Section 5(a)(1) of the FTC Act.

110. Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114-74, sec. 701, 129 Stat. 599 (2015), and Section 1.98(e) of the FTC's Rules of Practice, 16 C.F.R. § 1.98(e), effective January 10, 2022, authorizes the award of monetary civil penalties of not more than \$46,517 for each violation of prior Commission determinations concerning unfair and deceptive acts or practices in commerce.

Count V – Violations of Prior Commission Determinations
Known to Defendants

111. As set forth in Paragraphs 77 to 83, at least since receiving the letters and Notices, Defendant WealthPress had actual knowledge that, in connection with the advertising or promotion of money-making opportunities, making false, misleading, or deceptive earnings claims is an unfair or deceptive act or practice, unlawful under Section 5(a)(1) of the FTC Act, and subject to civil penalties.

112. In numerous instances, as set forth in Paragraphs 15 to 85, Defendant WealthPress represented, directly or indirectly, expressly or by implication, that

purchasers of Defendants' trade recommendation services are likely to make substantial profits.

113. In truth and in fact, in numerous instances in which Defendant WealthPress made the representations set out in Paragraph 112, purchasers of Defendants' trade recommendation services were not likely to make substantial profits.

114. Defendant WealthPress engaged in the acts and practices described in Paragraphs 112 to 113 with the actual knowledge, as set forth in Paragraph 111, that in prior litigated decisions the Commission has determined that the acts or practices are unfair or deceptive and violate Section 5(a)(1) of the FTC Act and issued final cease and desist orders, other than consent orders, with respect to those acts or practices. Defendant WealthPress, therefore, is liable for civil penalties under Section 5(m)(1)(B) of the FTC Act. 15 U.S.C. § 45(m)(1)(B).

CONSUMER INJURY

115. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and ROSCA. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

PRAYER FOR RELIEF

Wherefore, Plaintiff requests that the Court:

- A. Enter a permanent injunction to prevent future violations of the FTC Act and ROSCA by Defendants;
- B. Grant preliminary injunctive and ancillary relief;
- C. Award monetary and other relief in accordance with Section 19 of the FTC Act, 15 U.S.C. § 57b;
- D. Award Plaintiff civil penalties from Defendant WealthPress for every violation of ROSCA and for every instance WealthPress engaged in an act or practice with actual knowledge that the Commission had previously determined in prior litigated decisions that it was unfair or deceptive.
- E. Award any additional relief as the Court determines to be just and proper.

Respectfully submitted,



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