

1 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 56(a)(1), for its complaint alleges:

2 1. Plaintiff brings this action under Sections 5(a), 5(m)(1)(A), 13(b), and 16(a), of the FTC
3 Act, 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), and 56(a), to obtain monetary civil penalties, a permanent
4 injunction and other equitable relief such as temporary and preliminary injunctive relief, rescission or
5 reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and/or
6 appointment of a receiver for the Defendant’s violations of Section 5(a) of the FTC Act, 15 U.S.C.
7 § 45(a), and the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions
8 Concerning Business Opportunities” (“Business Opportunity Rule” or “Rule”), 16 C.F.R. Part 437, as
9 amended. The amended Business Opportunity Rule became effective on March 1, 2012, and has since
10 that date remained in full force and effect.

11 **JURISDICTION AND VENUE**

12 2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331,
13 1337(a), 1345, and 1355, and 15 U.S.C. §§ 45(m)(1)(A), 53(b), and 56(a). This action arises under
14 15 U.S.C. § 45(a).

15 3. Venue in the United States District Court for the Southern District of California is proper
16 under 28 U.S.C. §§ 1391(b)-(c) and 1395(a), and 15 U.S.C. § 53(b).

17 **PLAINTIFF**

18 4. This action is brought by the United States of America on behalf of the Federal Trade
19 Commission. The Commission is an independent agency of the United States government given
20 statutory authority and responsibility by the FTC Act, as amended, 15 U.S.C. §§ 41-58. The
21 Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or
22 deceptive acts or practices in or affecting commerce. The Commission also enforces the Business
23 Opportunity Rule, 16 C.F.R. Part 437, as amended, which requires specific disclosures and prohibits
24 certain misrepresentations in connection with the sale of a business opportunity.

25 **DEFENDANT**

26 5. Defendant Christopher Andrew Sterling sells business opportunities to consumers under
27 the names Sterling Visa, Rebate Data Processors, and Credit Card Workers. Defendant Sterling resides
28 in the Southern District of California, or in connection with the matters alleged herein, transacts or has

1 transacted business in this District and throughout the United States.

2 **COMMERCE**

3 6. At all times relevant to this complaint, the Defendant has maintained a substantial course
4 of trade in the offering for sale and sale of business opportunities in or affecting commerce, as
5 “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

6 **THE DEFENDANT’S BUSINESS PRACTICES**

7 ***The Defendant’s Business Opportunities***

8 7. The Defendant has offered and sold similar work-at-home rebate and credit card data
9 processing business opportunities through his websites, www.rebatedataprocessor.com,
10 www.sterlingvisa.com, and www.creditcardworker.com, and links to his websites placed on other
11 websites. Defendant represents on these websites that purchasers will make a substantial income simply
12 by doing the necessary data processing on the Internet for applications for rebates or credit cards offered
13 to the public by a select group of marketers he furnishes. All Defendant actually provides, if anything,
14 is information on how purchasers can become affiliate marketers. Affiliate marketers create their own
15 Internet ads for various products or services offered by third-party sellers. An affiliate marketer earns
16 referral income from a seller only if a consumer finds and clicks on the affiliate marketer’s ad and
17 purchases the seller’s product or service.

18 8. On his websites, Defendant has represented, expressly or by implication, that he will
19 provide Internet accounts or customers for the purchaser’s data processing services for a minimum fee
20 of nearly \$50. For example, his rebatedataprocessor.com website touts “Rebate Processing Jobs - You
21 Can Process Simple Customer Rebates from Home and Earn \$15 each GUARANTEED.” The website
22 goes on to represent that “If you can go online and fill out a form you’re qualified” and that “It’s Simple
23 3 Step Process!” with a graphic showing “STEP 1: - SIGN UP [a sign-up screen;] STEP 2 - SELECT
24 YOUR COMPANIES [a screenshot showing a listing of accounts;] STEP 3 - START POSTING [a data
25 processing screenshot].”

26 ***Earnings Claims and Misrepresentations***

27 9. Defendant’s websites have represented, expressly or by implication, that purchasers of
28 his business opportunities have earned a substantial income. Defendant’s rebatedataprocessor.com

1 website claims that potential purchasers can “MAKE \$200 - \$1000+ A DAY,” “well over \$500+ per
 2 day,” includes a “Weekly Sales Snapshot” showing weekly earnings of \$1,401.51 to \$3,230.97 for
 3 January 2009, and a “Daily Sales Snapshot” showing daily earnings during that period of \$133.08 to
 4 \$1,291.87, and a claim that “you too can get a [sic] \$15,526 in 29 days.” The website also includes the
 5 following table under the heading “How much money can I make?”:

6	3 a day @\$15 each - \$315 per week or \$1260 month or \$15,120 a year.
7	8 a day @\$15 each - \$840 per week or \$3360 month or \$40,320 a year.
8	15 a day @\$15 each - \$1575 per week or \$6300 month or \$75,600 a year.

9 Defendant’s sterlingvisa.com and creditcardworker.com websites both tell potential purchasers that
 10 “YOU CAN MAKE \$300 - \$1000+ A DAY,” and include a “Weekly Sales Snapshot” and “Daily Sales
 11 Snapshot” that are identical to those on the rebatedataprocessor.com website.

12 10. Consumers who buy one of Defendant’s business opportunities receive nothing more than
 13 information about how to become an affiliate marketer, not how to process rebates or credit card
 14 applications for accounts the Defendant has provided. The rebate and credit card application data
 15 processing work Defendant has promised is illusory or incidental at best, because purchasers can only
 16 process rebates or credit card applications that they themselves advertise, and only after successfully
 17 converting “clicks” on their Internet ads to the purchase of the products they offer.

18 11. Few, if any, purchasers of Defendant’s work-at-home opportunities are likely to make
 19 the income Defendant claims because Defendant misrepresents the nature of the business opportunity
 20 offered, because affiliate marketing is a complicated and highly competitive business, and because
 21 Defendant sometimes fails to provide any information whatsoever in return for a purchase.

22 ***Failure to Provide Required Disclosures***

23 12. Defendant has failed to give the written disclosure document the Business Opportunity
 24 Rule requires a seller to give potential purchasers prior to their purchase of his business opportunities.
 25 The disclosure document is designed to provide potential purchasers with basic information about the
 26 seller, litigation involving the seller, the seller’s cancellation and refund policies, information supporting
 27 any earnings claims the seller makes, and contact information for prior purchasers, to ensure that
 28 prospective purchasers can verify the seller’s earnings and other claims before they buy.

1 13. Defendant also has failed to disclose information required by the Business Opportunity
2 Rule in immediate conjunction with earnings claims in the general media. Defendant makes earnings
3 claims on its websites about potential profits that fail to include the required disclosure of the number
4 and percentage of prior purchasers known by Defendant to have achieved the same or better results.

5 14. Defendant has engaged in the foregoing business practices since at least March 1, 2012,
6 the date the amended Business Opportunity Rule became effective, and has engaged in the same or
7 similar business practices related to the sale of business opportunities since at least 2007.

8 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

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

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

13 17. As set forth below, Defendant has engaged in violations of Section 5(a) of the FTC Act
14 in connection with the advertising, marketing and sale of his business opportunities.

15 **COUNT ONE**

16 **Deceptive Substantial Income**

17 18. In numerous instances in connection with the advertising, marketing, promotion, offering
18 for sale, or sale of Defendant’s business opportunities, Defendant has represented, directly or indirectly,
19 expressly or by implication, that purchasers of his business opportunities are likely to earn a substantial
20 income.

21 19. In truth and in fact, in numerous instances in which Defendant has made the
22 representation in Paragraph 18, purchasers of Defendant’s business opportunity have not earned a
23 substantial income.

24 20. Therefore, Defendant’s earnings representations as set forth in Paragraph 18 are false, or
25 were not substantiated at the time the representations were made, or both, and constitute deceptive acts
26 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

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VIOLATIONS OF THE BUSINESS OPPORTUNITY RULE

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2 21. Defendant has been a “seller” who has sold or offered to sell “business opportunities” as
3 defined by the Business Opportunity Rule, 16 C.F.R. § 437.1(c) and (q). Under the Business
4 Opportunity Rule, a “seller” is a person who offers for sale or sells a business opportunity. 16 C.F.R.
5 § 437.1(q). Under the Rule, a “business opportunity” means a “commercial arrangement” in which a
6 “seller solicits a prospective purchaser to enter into a new business;” the “prospective purchaser makes
7 a required payment;” and the “seller, expressly or by implication, orally or in writing, represents that the
8 seller or one or more designated persons will . . . [p]rovide outlets, accounts, or customers, including,
9 but not limited to, Internet outlets, accounts, or customers, for the purchaser’s goods or services.”
10 16 C.F.R. §§ 437.1(c) and (m).

11 22. Among other things, the Business Opportunity Rule requires sellers to provide
12 prospective purchasers with a disclosure document in the form and using the language set forth in the
13 Business Opportunity Rule and its Appendix A, and any required attachments. In the disclosure
14 document, the seller must disclose to prospective purchasers five categories of information, including
15 basic identifying information about the seller, any earnings claims the seller makes, the seller’s litigation
16 history, any cancellation and refund policy the seller offers and contact information of prior purchasers.
17 16 C.F.R. § 437.3(a)(1)-(5). Furthermore, this information must be disclosed at least seven (7) days
18 before the prospective purchaser signs a contract or makes a payment. 16 C.F.R. § 437.2. The pre-sale
19 disclosure of this information enables a prospective purchaser to contact prior purchasers and take other
20 steps to assess the potential risks involved in the purchase of the business opportunity.

21 23. Defendant has made “earnings claims” in connection with the sale of his business
22 opportunities, as defined by the Business Opportunity Rule, 16 C.F.R. § 437.1(f). Under the Business
23 Opportunity Rule, an “earnings claim” means “any oral, written, or visual representation to a prospective
24 purchaser that conveys, expressly or by implication, a specific level or range of actual or potential sales,
25 or gross or net income or profits.” 16 C.F.R. § 437.1(f).

26 24. The Business Opportunity Rule prohibits sellers from making earnings claims unless the
27 seller: (1) has a reasonable basis for the claim at the time it is made; (2) has in its possession written
28 materials to substantiate the claim at the time it is made; (3) furnishes an Earnings Claim statement to

1 prospective purchasers in conjunction with the disclosure document, containing, among other things,
2 information regarding the time frame captured by the earnings claim, the characteristics of the
3 purchasers, and the number and percentage of all persons who purchased the business opportunity within
4 the time frame who achieved at least the stated level of earnings; and (4) makes written substantiation
5 of the earnings claim available to any prospective purchaser who requests it. 16 C.F.R. § 437.4(a).

6 25. Defendant has made earnings claims in connection with the sale of his business
7 opportunities in the general media, as defined by the Business Opportunity Rule. 16 C.F.R. § 437.1(h).
8 Under the Business Opportunity Rule, “general media” means “any instrumentality through which a
9 person may communicate with the public, including, but not limited to, television, radio, print, Internet,
10 billboard, Web site, commercial bulk email, and mobile communications.” 16 C.F.R. § 437.1(h).

11 26. The Business Opportunity Rule prohibits sellers from making earnings claims in the
12 general media unless the seller has a reasonable basis for and written substantiation of any earnings
13 claims and states in immediate conjunction with those claims the beginning and ending dates when the
14 represented earnings were achieved, and the number and percentage of all persons who purchased
15 Defendant’s business opportunity prior to that ending date who achieved at least the stated level of
16 earnings. 16 C.F.R. § 437.4(b).

17 27. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the
18 Business Opportunity Rule constitutes an unfair or deceptive act or practice in or affecting commerce
19 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

20 **COUNT TWO**

21 **Disclosure Document Violations**

22 28. In numerous instances in connection with the offer for sale, sale, or promotion of business
23 opportunities, Defendant has failed to furnish prospective purchasers with a disclosure document and
24 any required attachments within the time period prescribed by the Business Opportunity Rule.

25 29. Defendant’s acts and practices, as described in paragraph 28 above, violate the Business
26 Opportunity Rule, 16 C.F.R. §§ 437.2 and 437.3(a), and Section 5(a) of the FTC Act. 15 U.S.C. § 45(a).

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1 **COUNT THREE**

2 **Earnings Disclosure Violations**

3 30. In numerous instances, Defendant has made earnings claims to prospective purchasers
4 in connection with the offering for sale, sale, or promotion of a business opportunity while, among other
5 things, (1) lacking a reasonable basis for the earnings claim at the time it was made; (2) lacking written
6 substantiation for the earnings claim at the time it was made; or (3) failing to provide an Earnings Claim
7 statement to the prospective purchaser, as required by the Business Opportunity Rule.

8 31. Defendants acts and practices, as described in paragraph 30 above, violate the Business
9 Opportunity Rule, 16 C.F.R. § 437.4(a) and Section 5(a) of the FTC Act, 15 U.S.C. §§ 45(a).

10 **COUNT FOUR**

11 **General Media Earnings Claims Violations**

12 32. Defendant has made earnings claims in the general media in connection with the offering
13 for sale, sale, or promotion of a business opportunity while failing to state in immediate conjunction with
14 those claims the beginning and ending dates when the represented earnings were achieved, and the
15 number and percentage of all persons who purchased Defendant's business opportunity prior to that
16 ending date who achieved at least the stated level of earnings.

17 33. Defendant's acts and practices, as described in paragraph 32 above, violate the Business
18 Opportunity Rule, 16 C.F.R. § 437.4(b)(3) and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

19 **CONSUMER INJURY**

20 34. Consumers have suffered and will continue to suffer substantial injury as a result of the
21 Defendant's violations of Section 5(a) of the FTC Act and the Business Opportunity Rule. In addition,
22 Defendant has been unjustly enriched as a result of his unlawful acts and practices. Absent injunctive
23 relief by this Court, the Defendant is likely to continue to injure consumers, reap unjust enrichment, and
24 harm the public interest.

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

26 35. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive
27 and such other relief as the Court may deem appropriate to halt and redress violations of any provision
28 of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary

1 relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the
2 disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced
3 by the FTC.

4 36. Section 19 of the FTC Act, 15 U.S.C. § 57b, authorizes this Court to grant such relief as
5 the Court finds necessary to redress injury to consumers resulting from Defendant's violations of the
6 Business Opportunity Rule, including the rescission or reformation of contracts and the refund of money.

7 37. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), as modified by Section 4
8 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended, and as
9 implemented by 16 C.F.R. § 1.98(d), authorizes this Court to award monetary civil penalties of up to
10 \$16,000 for each violation of the Business Opportunity Rule.

11 38. Defendant's violations of the Business Opportunity Rule were committed with the
12 knowledge required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

13 39. Each offer for sale and each sale of a business opportunity in which Defendant has
14 violated the Rule in one or more ways described above constitutes a separate violation for which Plaintiff
15 seeks monetary civil penalties.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiff, United States of America, pursuant to Sections 5(a), 5(m)(1)(A), 13(b),
18 16(a) and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), 56(a) and 57b, and the Court's
19 own equitable powers, requests that the Court:

20 (1) Enter judgment against the Defendant and in favor of Plaintiff for each violation of the FTC
21 Act and Business Opportunity Rule alleged in this Complaint;

22 (2) Award Plaintiff monetary civil penalties and disgorgement of ill-gotten monies for each
23 violation of the Business Opportunity Rule;

24 (3) Award such relief as this Court finds necessary to redress injury to consumers resulting from
25 violations of the Business Opportunity Rule and the FTC Act, including but not limited to rescission or
26 reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten
27 monies;

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1 (4) Enter a permanent injunction to prevent future violations of the FTC Act and the Business
2 Opportunity Rule by the Defendant; and

3 (5) Award Plaintiff the costs of bringing this action, as well as such other and additional relief
4 as the Court may determine to be just and proper.

5 Dated: November 9, 2012

Respectfully submitted,

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