

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

REAL WEALTH, INC., a corporation, also d/b/a
American Financial Publications, Emerald Press,
Financial Research, National Mail Order Press,
Pacific Press, United Financial Publications,
Wealth Research Marketing Group, and Wealth
Research Publications, and

LANCE MURKIN, individually and as an officer
of REAL WEALTH, INC.,

Defendants.

Civil Action No. 10-60

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

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

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with the sale and marketing of various work-at-home and grant schemes.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391 (b) and (c), and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 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.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

DEFENDANTS

6. Defendant Real Wealth, Inc. (“Real Wealth”) is a Missouri corporation with its principal places of business at 2325 SW Pheasant Trail, Lee’s Summit, Missouri 64082 and 402 NW Olive St., Lee’s Summit, Missouri 64063. Real Wealth also does business as American Financial Publications, Emerald Press, Financial Research, National Mail Order Press, Pacific Press, United Financial Publications, Wealth Research Marketing Group, and Wealth Research Publications. Real Wealth transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Real Wealth has advertised, marketed, distributed, or sold work-at-home and grant schemes to consumers throughout the United States.

7. Defendant Lance Murkin (“Murkin”) is the president, manager, and owner of Real Wealth. At times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Murkin resides in this district and in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

COMMERCE

8. At all times material 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

9. Since at least 2003, Defendants have marketed a variety of work-at-home and grant schemes to consumers throughout the United States.

10. Defendants have brought in millions of dollars from marketing their schemes to at least 100,000 consumers nationwide.

11. While the details of the specific schemes vary, they all share the same salient feature – a simple opportunity to make substantial income. Defendants promote their work-at-home and grant schemes to prospective purchasers through direct mail solicitations they send to consumers’ residences, as well as advertisements in a magazine about business opportunities.

12. In their direct mail solicitations, Defendants offer work-at-home or grant schemes for fees ranging from approximately \$9.99 to \$99.99 and instruct prospective purchasers to mail their payments to a post office box or commercial mail receiving address controlled by Defendants.

13. Defendants' direct mail marketing solicitations fall into two general categories: (1) work-at-home schemes and (2) cash grant schemes. Defendants' various work-at-home schemes include, but are not limited to, programs purporting to consist of mailing envelopes, postcards, or forms, as the following exemplars illustrate.

Work-at-Home Schemes

Envelope Mailing Scheme

14. Defendants have disseminated or caused to be disseminated direct mail solicitations that represent, either expressly or by implication, that purchasers of their envelope mailing schemes will earn substantial income, such as \$1,000 for mailing 200 envelopes, and that purchasers will not have to expend any money on stamps, envelopes, or mailing lists.

15. For example, in numerous instances, Defendants promote their work-at-home envelope mailing scheme by claiming:

- A. GET PAID \$5.00 FOR EVERY ENVELOPE YOU FILL AND MAIL!**
- B. USING MY METHOD YOU DO NOT PAY FOR STAMPS, ENVELOPES OR MAILING LISTS!**
- C. Following my simple system you will obtain requests and get paid for every envelope that you fill and mail. You will be paid at the rate of \$5.00 for each envelope that you mail.**

16. Defendants solicit consumers to send in a fee, such as \$29.99, in exchange for the work-at-home scheme. Some consumers who respond to these solicitations by sending money to the address listed on the direct mail solicitations receive nothing in return. The Defendants send other purchasers a booklet instructing them to launch their own deceptive marketing schemes. Specifically, Defendants provide purchasers with a publication entitled "How to Make \$5.00 Per Envelope You Mail," in which Defendants instruct purchasers to write their own

“money making reports” and sell the reports by sending direct mail solicitations to people on mailing lists or by taking out classified advertisements. Defendants instruct the purchasers to solicit other consumers to pay the purchaser \$5.00 and send a self-addressed stamped envelope in order to obtain a copy of the “money making report.”

17. Defendants explicitly instruct purchasers to lure in consumers by making extravagant claims about the amounts of money that purchasers of the reports will earn.

Defendants’ publication states:

When a person reads a money-making offer, they [sic] envision a special new secret or fantastic new miracle package that will make them [sic] money like magic . . .

What they [sic] are actually seeing is an advertisement designed to generate large amounts of cash in a short period of time. The only one who gets rich is the rich guy who made the offer.

18. Defendants’ solicitations do not disclose to purchasers that in order to get paid for filling an envelope, the purchaser must first write a report and successfully market the report to consumers.

19. Few, if any, purchasers of Defendants’ envelope mailing work-at-home scheme make substantial income. Moreover, Defendants’ booklet specifically instructs consumers to send direct mail solicitations as one method for implementing the scheme, which requires purchasers to spend money for stamps, envelopes and mailing lists.

Postcard Mailing Scheme

20. Defendants have disseminated or caused to be disseminated direct mail solicitations that represent, either expressly or by implication, that purchasers of their postcard mailing scheme will earn substantial income and that purchasers will receive everything they need to start making money immediately.

21. For example, in numerous instances, Defendants promote their work-at-home postcard mailing scheme by claiming:

- A. **All I do is mail 30 postcards everyday and I make an extra \$350 a week!**
- B. **You won't place any ads, talk on the phone or try to sell anything to anyone to make this money!**
- C. **I'll send everything you need from me to get started making this money right away!**
- D. **All it takes is a little spare time and a table and chair! Heck, I even watch tv while I do it!**

22. In exchange for a fee, typically \$20.00, Defendants send purchasers a booklet that instructs them about how to make money by selling mailing lists.

23. Defendants' postcard mailing scheme does not consist simply of addressing and mailing postcards. Instead, Defendants' publication, entitled "Make Money Mailing 30 Postcards A Day," instructs purchasers to market Defendants' mailing lists using a process they call "reverse mailing." Defendants instruct purchasers to produce a postcard solicitation and then mail it to entities that have sent the purchaser a moneymaking or business opportunity offer. Should anyone agree to buy Defendants' mailing list, the proceeds would be split 60/40, with the Defendants retaining the larger portion. For the purchaser of this scheme, making money depends on the successful marketing and sale of Defendants' mailing list rather than the simple addressing and mailing of postcards.

24. Few, if any, purchasers of Defendants' postcard mailing work-at-home scheme make substantial income.

Form Mailing Scheme

25. Defendants have disseminated or caused to be disseminated direct mail solicitations that represent, either expressly or by implication, that purchasers of their form mailing scheme will earn substantial income, such as \$9,250.

26. For example, in numerous instances, Defendants promote their work-at-home form mailing scheme by claiming:

- A. **Collect Up to \$9,250 With My Simple 3 Minute Form!**
- B. It's really VERY simple!
STEP ONE - Put your name and address on the ECM FORM I give you right where I tell you to.
STEP TWO - Mail out the ECM Form to one of the little known (almost secret) contacts I tell you about.
STEP THREE - You could then receive a check for up to \$1,000 or more from the source. You could also receive multiple checks from the same source without mailing out more forms to them.
- C. No Products to Stock, No Placing Ads, No Filling Orders or Trying to Sell Anything to Family or Friends!

27. In numerous instances, Defendants' solicitation suggests that the form mailing scheme will consist of nothing more than filling out forms, sending them to specific entities the Defendants identify, and collecting money without further effort.

28. In exchange for a fee, such as \$9.99, Defendants send purchasers information on how to make money by selling mailing lists. More specifically, Defendants provide the purchaser with a two-page solicitation and order form advertising a mailing list for sale. Rather than providing a list of "almost secret" contacts, the Defendants direct the purchaser to mail the solicitation and order form to any companies who send him or her junk mail. The only way for purchasers of this scheme to make money is by successfully selling Defendants' mailing list and splitting the proceeds 60/40, with the Defendants taking the larger share.

29. Few, if any, purchasers of Defendants' form mailing work-at-home scheme make substantial income. Moreover, Defendants' scheme requires purchasers to spend additional money for stamps, envelopes and mailing lists.

Grant and Cash Schemes

30. In addition to work-at-home schemes, Defendants offer consumers ways to make money by taking advantage of purported grant programs or "cash secrets," collectively referred to herein as "grant schemes."

31. Defendants have disseminated or caused to be disseminated direct mail solicitations that represent, either expressly or by implication, that purchasers of their grant schemes are likely to receive substantial amounts of money from the government or other sources listed in their guides.

32. For example, in numerous instances, Defendants promote their grant schemes by stating: "EMERGENCY CASH AND FREE MONEY FOR YOU! Collect at least \$10,000 in the Next 30 Days" using "recession proof" sources for emergency cash. To take part in this scheme, Defendants ask consumers to pay \$19.99 for a publication called "Emergency Cash and Free Money System."

33. Similarly, in numerous instances, Defendants promote their grant schemes by stating: "Collect at least \$5,000 in just 30 days" and promising that "using these little known sources and methods you can begin collecting massive amounts of cash for doing virtually nothing!" To take part in this scheme, Defendants ask consumers to pay \$9.99 for a publication called "Lazy Cash."

34. In numerous instances, in exchange for a fee ranging from \$9.99 to \$99.99, Defendants provide purchasers one of their many short booklets containing a list that includes, among other things, grants, contests, loans, and entitlement programs.

35. For example, in the booklets entitled “Lazy Cash” and “Emergency Cash,” Defendants list names and contact information for foundations and government agencies that purportedly have money to give consumers.

36. Another of Defendants’ suggestions, in “Lazy Cash,” “Emergency Cash,” and several other publications, is to make money by sending letters to millionaires and celebrities who purportedly are giving away money.

37. Some of the celebrities listed in Defendants’ publications are deceased. Other celebrities listed were not aware of their names being listed and have no intention of giving away money to individuals who request it.

38. Some of the grants Defendants list in their publications no longer exist. In addition, some of the phone numbers Defendants list as pertaining to particular foundations or grant schemes are numbers that are now disconnected or no longer in service. Other sources of purported free cash that Defendants list are state agency contacts for well-known government entitlement programs, as well as names of financial institutions and credit card companies.

39. Few, if any, purchasers of Defendants’ grant schemes receive substantial amounts of money from the sources listed in Defendants’ guides.

VIOLATIONS OF THE FTC ACT

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

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

COUNT ONE

DECEPTIVE CLAIMS REGARDING WORK-AT-HOME SCHEMES

42. In the course of marketing, promoting, offering for sale and selling work-at-home schemes, Defendants represent, directly or indirectly, expressly or by implication, that consumers who order their work-at-home schemes are likely to earn substantial income.

43. The representation set forth in Paragraph 42 is false, or was not substantiated at the time the representation was made, or both.

44. Therefore, the making of the representation as set forth in Paragraph 42 of this Complaint constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. 45(a).

COUNT TWO

MISREPRESENTATIONS REGARDING NATURE OF WORK-AT-HOME SCHEMES

45. In the course of marketing, promoting, offering for sale and selling their work-at-home schemes, Defendants represent, directly or indirectly, expressly or by implication, that purchasers of Defendants' work-at-home schemes will be paid for simply mailing items.

46. In truth and in fact, purchasers of Defendants' work-at-home schemes are not paid for simply mailing items.

47. Therefore, Defendants' representations as set forth in Paragraph 45 of this Complaint are false and misleading and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT THREE

DECEPTIVE CLAIMS REGARDING GRANTS

48. In the course of marketing, promoting, offering for sale and selling their grant schemes, Defendants represent, directly or indirectly, expressly or by implication, that consumers who order their grant schemes are likely to receive substantial amounts of money from the government or other sources listed in their guides.

49. The representation set forth in Paragraph 48 is false, or was not substantiated at the time the representation was made, or both.

50. Therefore, the making of the representation as set forth in Paragraph 48 of this Complaint constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

51. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

52. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Sections 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to a temporary restraining order, preliminary injunction, and an order freezing assets;

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

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

Respectfully submitted,

WILLARD K. TOM
General Counsel

Dated: January 21, 2010

By: s/ *Lisa W. Schifferle*

Lisa Weintraub Schifferle, DC Bar #463928
LaShawn M. Johnson, DC Bar #475164
Kathleen Benway, DC Bar #474356
Federal Trade Commission
600 Pennsylvania, Ave, NW
Washington, DC 20580
(202) 326-3377 (Schifferle)
(202) 326-3057 (Johnson)
(202) 326-2024 (Benway)

LSchifferle@ftc.gov
LJohnson@ftc.gov
KBenway@ftc.gov

Beth Phillips
United States Attorney

Dated: January 21, 2010

By: s/ **Charles M. Thomas**
Charles M. Thomas, MO Bar #28522
Assistant United States Attorney
Charles Evans Whittaker Courthouse
400 East Ninth Street, Room 5510
Kansas City, MO 64106
Telephone: (816) 426-3130
Telephone: (816) 426-3165
Email: charles.thomas@usdoj.gov

Attorneys for Plaintiff