BEFORE THE FEDERAL TRADE COMMISSION

Washington, D.C.

PETITION FOR RULEMAKING

Requesting a rule requiring companies that sell or distribute paid advertising to validate the advertiser behind every paid advertisement before disseminating it

Filed pursuant to 16 C.F.R. § 1.31 and Section 18 of the Federal Trade Commission Act, 15 U.S.C. § 57a

Petitioner: Stephen N.B. Jones, Jr.

2400 Burton Street, Richmond, VA 23223

Telephone: (804) 591-1014

Email: support@2surve.com

Date: November 17, 2026

DRAFT — prepared for the petitioner's review. Not yet filed.

Revision note (November 18, 2026): at the petitioner's direction, the proposed rule now covers every paid advertisement, not only advertisements making money claims. The money-claims evidence in Part III remains the leading factual case.

I. THE PETITIONER AND HIS INTEREST (16 C.F.R. § 1.31(b)(1))

My name is Stephen N.B. Jones, Jr. I live at 2400 Burton Street, Richmond, Virginia 23223. I can be reached at (804) 591-1014 and support@2surve.com.

I am a consumer and a retired information-technology support professional. In my own time I study advertisements and online offers — especially ones that make money claims — and I help people around me check whether those offers are real before they spend money or hand over personal information. I am preparing a public educational video series on exactly this subject. Again and again I find the same thing: the offer is a fraud, the "company" behind it cannot be identified at all, and the only businesses that can be identified are the large platforms that sold and delivered the advertisement. My interest in this petition is direct: I am a member of the public these advertisements target, I spend my own time and money countering them, and people I help have been exposed to them. I file this petition as a private citizen. I am not a lawyer.

II. ACTION REQUESTED AND TEXT AND SUBSTANCE OF THE PROPOSED RULE (16 C.F.R. § 1.31(b)(2))

I ask the Commission to initiate rulemaking under Section 18 of the FTC Act and to adopt a rule, tentatively titled the "Advertisement Validation Rule," with the following substance:

1. Covered advertisements. A "covered advertisement" is any paid-for advertisement disseminated to the public, whatever it offers or claims — goods, services, investments, business opportunities, or anything else sold through paid advertising. This includes advertisements making earnings, income, investment, or money-making claims, such as claims about cryptocurrency, investment programs, work-from-home income, and passive income, but it is not limited to them: every paid advertisement is covered, because the public cannot tell in advance which anonymous advertiser is honest and which is a fraud.

2. Covered disseminators. A "covered disseminator" is any company that sells, brokers, or distributes paid advertising to the public, including social media platforms, video platforms, and search services, above a size threshold the Commission sets so that small publishers are not burdened.

3. Validation before dissemination. Before disseminating a covered advertisement, a covered disseminator must obtain and verify:

(a) the advertiser's legal name and evidence of its business registration in a state or national registry;

(b) where the type of offer requires a license or registration by law — for example, securities or investment offers, money transmission, health products, or licensed professional services — evidence that the advertiser holds that license or registration; and

(c) the name of a natural person responsible for the advertisement's claims, with a working means of contacting that person.

4. No validation, no dissemination. If the advertiser cannot supply the items in paragraph 3, the covered disseminator must not disseminate the advertisement.

5. Records. The covered disseminator must keep the validation records for each covered advertisement for at least five years and make them available to the Commission on request.

6. Swift removal. When a covered disseminator learns that a covered advertisement already running is fraudulent — by a consumer report, a regulator's notice, or its own review — it must remove the advertisement swiftly and preserve its validation records.

7. Public identification. Each covered advertisement must identify, in a place an ordinary viewer can find, the legal name of the advertiser that was validated under paragraph 3.

This petition does not ask the Commission to judge whether an honest product is good or bad. It asks only that, before a paid advertisement reaches the public, somebody at the gate confirms that a real, registered, reachable business stands behind it — whatever the advertisement is selling.

III. FACTUAL BASIS (16 C.F.R. § 1.31(b)(3))

1. The harm is large and growing. The Commission's own data show that in 2025, people reported losing $2.1 billion to scams that started on social media — about eight times the 2020 figure — and that investment scams accounted for $1.1 billion of that, more than half, often starting with an advertisement or post offering to teach investing (FTC press release, "New FTC Data Show People Have Lost Billions to Social Media Scams," April 27, 2026). I lead with money claims because that is where the Commission's figures show the losses are worst. But the same anonymity that serves the investment scam serves fraud of every kind: the fake storefront, the counterfeit seller, and the phantom service all hide behind the same missing name. A gate that checked only money claims would simply push anonymous advertisers into every other kind of advertisement; the check has to cover paid advertising as such.

2. The current system acts only after the money is gone. Existing law bans deceptive advertisements of every kind, and the Commission works hard against them. But enforcement is aimed at the advertiser, and the worst advertisers — whatever they are selling — are built to be unreachable: no legal name, no registration, no address, no person. By the time a victim reports the fraud, the money has moved and the advertiser has vanished and reappeared under a new name. The one party that can always be identified, and that was paid to deliver the advertisement, is the platform that disseminated it.

3. A worked example. In November 2026 I examined a website promoted online called "Bitcoin Lite Faucet" (bitl.si). It offers the public "300–600 BITL free every hour" in exchange for an email address, under the headline "Missed Bitcoin at $0? Don't miss Bitcoin Lite." The page shows a countdown timer and a feed of supposedly live claims by other users that cannot be verified. Its legal notice reads, in full, "© 2026 [Operating company]" — the operator never even filled in a company name, because there is apparently no company. The tokens offered are issued in the trillions, so the "free" tokens are effectively worthless; what the operator actually collects is email addresses and, later, whatever those addresses can be led to. Under the rule proposed here, no covered disseminator could have carried paid promotion for this offer, because there is no legal

name to validate, no registration to check, and no responsible person to name. The offer fails at the gate, before a single consumer sees it.

4. Validation is practical. Platforms already verify advertisers for their own business purposes — identity checks, payment verification, and, for financial advertising in some countries, regulatory registration checks. The United Kingdom has gone further by law: sections 38 and 39 of the Online Safety Act 2023 require the largest platforms and search services to operate systems designed to prevent users from encountering fraudulent paid advertisements and to remove them swiftly, enforced by Ofcom with penalties of up to £18 million or 10 percent of global revenue. Ofcom's draft codes of practice under that Act include verifying advertisers and checking that anyone advertising banking or investment services is legally permitted to do so. What one major economy already requires of these same companies, the Commission can require here.

IV. LEGAL BASIS

1. Section 5 of the FTC Act declares unfair or deceptive acts or practices unlawful (15 U.S.C. § 45). A platform that sells and targets advertising for offers it has made no effort to verify — while taking payment for that delivery — engages in, or at minimum facilitates, deception on a mass scale.

2. Section 18 of the FTC Act (15 U.S.C. § 57a) authorizes the Commission to issue rules defining unfair or deceptive practices, and 16 C.F.R. § 1.31 provides the procedure for a citizen to petition for such a rule, which this filing follows.

3. The Commission already regulates deceptive advertising across the economy, including the substance of money claims — for example, the Business Opportunity Rule (16 C.F.R. Part 437) and its earnings-claims work. This petition addresses the missing half: the gatekeeping step, performed by the party best placed to perform it, before dissemination rather than after loss.

V. INFORMATION KNOWN TO THE PETITIONER THAT IS UNFAVORABLE TO HIS POSITION

The regulation asks for this, and I give it honestly:

1. Platforms will argue that Section 230 of the Communications Decency Act shields them from liability for third-party content, and covering every advertisement gives them more content to point to than a money-claims-only rule would. My response: this rule would regulate the platform's own conduct — its sale and delivery of paid advertising after a verification duty — not treat it as the speaker of the ad; and paid commercial

advertising has never enjoyed the same protection as user speech. I acknowledge the courts may have to settle the boundary.

2. Platforms will raise the First Amendment, and I acknowledge this argument is stronger against the rule as I now propose it than against a rule limited to money claims, because it reaches all commercial advertising. My response: the rule requires factual verification of identity and licensing rather than banning viewpoints or judging messages, and it leaves every lawful, identifiable advertiser free to advertise. I acknowledge commercial-speech doctrine will be argued, and argued hard.

3. Validation will cost money, and checking every advertisement costs more than checking only money-claims advertisements. It may also burden small services, and the risk of over-blocking — legitimate advertisers, including ordinary small businesses, wrongly rejected or delayed — is greater at this scope than it would be for a narrower rule. My response: the size threshold in paragraph 2 limits the duty to the large disseminators best able to bear it; those platforms already verify advertisers' identity and payment details for their own business purposes; and the Commission should design against over-blocking from the start, including a simple, fast cure process for advertisers wrongly rejected. I do not minimize the cost; I say the losses described in Part III are larger.

4. Some will say the Commission lacks authority and that only Congress can impose this duty — and a rule covering all paid advertising tests the limits of the Commission's authority harder than a narrower rule would. My response: I ask the Commission to consider the rule under its existing authority; if the Commission concludes a statute is needed, in whole or in part, I ask it to say so publicly, and I am sending the same proposal to my representatives in Congress.

VI. REQUESTED RESOLUTION

I respectfully ask the Commission to (1) docket this petition and publish it for public comment as 16 C.F.R. § 1.31 provides; (2) initiate a rulemaking proceeding on pre-dissemination validation of paid advertising; and (3) if the Commission declines, state its reasons so the public and Congress can act on them.

People are tired of their money being taken by offers that no one stood behind. The companies that deliver those offers can check who is paying them before they pass the invitation along. This rule would make them do it.

Respectfully submitted,

Stephen N.B. Jones, Jr.

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