

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Civ. Case No. _____

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

STEVEN MERRITT and

GINA MERRITT,

Defendants.

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

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

1. The FTC brings this action for Defendants’ violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). For these violations, the FTC seeks relief, including a permanent injunction and other relief, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).

SUMMARY OF THE CASE

2. Defendants Steven and Gina Merritt are Brand Partners in LifeWave, Inc. (“LifeWave”), a multi-level marketing company that specializes in “phototherapy patches.” As a multi-level marketing company, LifeWave sells its products through a network of participants—called Brand Partners or BPs—who can purportedly earn compensation by selling LifeWave products to consumers and by recruiting new participants into their “downline,” who will themselves sell LifeWave products to consumers and recruit new participants.

3. In the course of recruiting for LifeWave, Defendants repeatedly represent that Brand Partners will or are likely to earn substantial income. For example, in numerous instances, they talk about the money earned by Brand Partners on their team, including that “multiple, multiple, multiple people” earn more than \$25,000 a week. They have also claimed they can help Brand Partners earn an “insane” income, more than \$25,000 a week, over a million dollars, or even unlimited income. Steven Merritt has described the LifeWave opportunity as follows: “The money keeps coming, even if you don’t show up, and you can’t stop it. It’s like a spigot of water but a spigot full of \$100 bills throwing at you, coming at you. You can’t stop it. Anybody want that?”

4. These claims are deceptive. As described below, LifeWave’s income disclosure statement shows that its Brand Partners are unlikely to earn substantial income. The income disclosure statement states that, of the LifeWave Brand Partners who are registered and active, only 21% received a commission payment from LifeWave in at least one month of 2024 for sales that occurred in 2024. In addition, the income disclosure statement says that the average annual earnings for all U.S. Brand Partners who were active at any time during 2024 was \$651 total, before expenses, and fewer than .035% of active Brand Partners earn \$25,000 per week, \$1 million per year, or more.

JURISDICTION AND VENUE

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

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

PLAINTIFF

7. The FTC is an 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.

DEFENDANTS

8. Defendant Steven Merritt is a Brand Partner for LifeWave. He holds the rank of Elite Senior Presidential Director at LifeWave. He 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.

9. Defendant Gina Merritt is a Brand Partner for LifeWave. She holds the rank of Elite Senior Presidential Director at LifeWave. She 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

10. 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

Overview

11. LifeWave operates a multi-level marketing business that sells health and wellness products. LifeWave specializes in “phototherapy patches,” small adhesive patches to be worn on the body.

12. Defendants Steven and Gina Merritt are at the highest level of the LifeWave compensation plan. Defendants regularly refer to their downline as the “This is It” team. Defendants claim to have 250,000 Brand Partners (otherwise referred to as BPs) on their team.

They have stated that their goal is to have 1,000,000 BPs on the “This is It” team in 2025.

13. As Brand Partners, Defendants have used deceptive earnings claims to recruit consumers to join LifeWave, where they have failed to make the promised earnings.

Defendants Claim LifeWave Brand Partners Will or are Likely to Earn Substantial Income

14. Defendants promote the LifeWave MLM opportunity through numerous means, including through their websites and social media accounts (including the This is It YouTube page), on Zoom calls, and during in-person seminars.

15. To induce consumers to join Lifewave, since at least October 2023, Defendants have represented that LifeWave Brand Partners will or are likely to earn substantial income.

16. For example, on a “Saturday Team Teaching” presentation by Steven and Gina Merritt, which was posted on the This is It Team’s YouTube page on September 20, 2025, Steven Merritt described how much BPs earn based on the number of people they invite to an upcoming This is It convention:

Penny is one of the [BPs] that brought the most people to [a past This is It convention]. Immediately weeks after she left, she jumped to Elite [status at LifeWave]. Believe me, she did not work any harder when she left the [convention] a few weeks ago. Why? Because the people knew what to do and they did it on their own. I’m not saying she didn’t help them, but you can’t help that many people. When you put them in seats, you don’t have to put in the effort and the phone doesn’t ring and everyone knows what to do... Six people, you are looking at \$500 a week. 12 people, now they need to be equal on each side, so you might have to have 13 people or 14 ... you’re making \$750 a week. You want to make \$1,500 a week, you need 24 people at the [upcoming convention]. You want to make \$3,000 a week, you need 50 people.... Are you registered? How many do you have so far? Okay. 75, you’re looking at \$6,000 uh per week.... 300 [] \$25,000 per week. I mean, 300 people, that is so small. Did you see how many people were at the Orlando event... three or four weeks ago.

A screenshot from the presentation while he made these statements is reproduced below as Figure 1.

Figure 1: Screenshot from Merritt Presentation

youtube.com/watch?v=bsDSWHuP8pw

steve and gina merritt

Steve Merritt

THIS IS IT CONVENTIONS BY THE NUMBERS

Attendees	per week	
300		\$25,000
150		\$12,500
75		\$6,000
50		\$3,000
24		\$1,500
12		\$750
6		\$500
3		\$250

Okay? 75, you're looking at

zoom

Saturday Team Teaching | Steve & Gina Merritt host Penny Carpenter

This Is It Team
31.4K subscribers

Subscribe

127

Share Save

3,730 views Streamed live on Sep 20, 2025
ALL IN Convention
<https://thisisitconvention.com/>

17. On the same call, Steven Merritt provided an example to those attending for how to describe the opportunity while recruiting: “This screams opportunity. There is a huge business opportunity built very similar to a franchise. You can start on a credit card and everybody can win.... Are you looking to make some serious money for your family?” He continued, “How are you making this sound? Are you kind of sounding like a mamsy pansy? You know, like, mom and pop, you’re going to make 20 bucks. No, we’re talking... all the people making big money. And you can do it too. The bigger you talk, the bigger the person that gets in your business with you. So start thinking big right now.”

18. On a September 17, 2025 Zoom and Youtube live stream entitled “LifeX39

Business Launch/Steve & Gina Merritt,” Steven Merritt said, “You eventually get up to \$25,000 a week [with LifeWave]. How do we know? Because we have multiple, multiple, multiple, multiple, multiple people making \$25,000 a week or more. And because they can do it, and once you meet them, you’re going to say, man, if they could do it, you’re probably saying that right now. If we could do it, I could do it....” He continued “now there’s more money as well, unlimited income. The matching bonus is way bigger than the other income. But if you don’t get excited about \$25,000 a week, you are not going to get excited about the matching bonus. There’s just money all over the opportunity. That’s right.”

19. Gina Merritt said on the livestream “the next part that we’re going to go into is the great part because it’s all about making money. And listen, we keep it simple. If you don’t need more money, that’s OK. You can send it to my children. I’m kidding. Anyways, this is an amazing opportunity with such a low startup fee. That’s what you’re going to be fired up about.” She said later “so hey guys, we are just delivering hope to you. This is working.... The testimonies people are getting and the income is so emotional for people that have never made this kind of money.... And I’m telling you what I don’t know your work ethic, but I know mine and if you lock arms with me and you’re serious and you want to run like you’ve never run, we can completely change your family’s destiny.”

20. On a presentation titled “LifeWave X39 Business Launch/Steve & Gina Merritt,” which was posted on the This is It Team’s YouTube page on August 13, 2025, Steven Merritt promoted the opportunity by stating, “you don’t need many people. Three people [recruited] will set you free. Six will make you very wealthy, but the company’s compensation plan allows you to make millions with three people. Again, we’re not promising anything, but we know that you’re go getters.” Gina Merritt concluded the presentation by saying, “Don’t think too deep.

Don't do too much research. The product works, the income is insane, and we look forward to connecting with you and being business partners.”

21. Another video, posted on the This is It Team's YouTube page on July 20, 2025, depicts a hybrid (live and virtual) LifeWave training event in Atlanta, Georgia. During this event, Steven Merritt said he and Gina have lost track of “how many people in 35 months have made a quarter of \$1 million on the This is it Team in just thirty months and they can't count the numbers because there's so many” and “there's over 20 folks that have made over \$1 million.... So there's that kind of opportunity. We don't want you to miss what we have our hands on.”

22. On a LifeWave X39 Business Opportunity Call hosted by Steven and Gina Merritt that was posted on the This is It Team's YouTube page on July 8, 2025, Steven Merritt said, “They do cap [the team] commission at \$25,000 a week. So, you might start at \$100, then you might get the \$500, \$500 to \$1,000 a week will change most people's life.” Gina Merritt said, “Absolutely.” Steven continued, “But we have multiple, multiple, multiple people that have already hit the \$25,000 per week. They're all in tears.... We already seen this happen with so many people from all backgrounds in life. So we know it's going to happen for people that decide they want to make it happen.” He continued, saying “Now, if you don't get excited about 1.3 million extra a year.” Gina Merritt then interrupted him, saying “More Money!” Steven Merritt said later in the presentation: “We have another part of the plan that you get paid unlimited.... So when you bring in somebody, uh, you get paid 25% of what they're making in that team Commission.... The money adds up and it's unlimited. And it's, it's, it'll bring you to tears how much you can make compared to what people normally make in a job or a career.”

23. On June 7, 2025, Gina and Steven Merritt gave a presentation at an event called “LifeWave Super Saturday” in Dallas, Texas. A video of the presentation was posted on

YouTube on June 28, 2025. During the presentation, Steven Merritt said:

This is the first time David Schmidt and LifeWave have announced that they want to give you a \$500 bonus, \$5,000, \$25,000, \$50,000, \$75,000, and \$100,000 bonus. If you are brand new watching this, if you are a new director, you get to run through these ranks and collect all this money. Put the trophies aside, give me the money!!....

24. Gina and Steven Merritt spoke at a hybrid meeting (in-personal and virtual), launching the This is It Team LifeWave opportunity in Utah. A recording of this meeting was posted on the This is It Team's YouTube page on May 21, 2025. Gina Merritt said at that meeting, "We're going to make you a – can I say buttload – a buttload of money... I cannot wait to help you guys get to the top rank and make \$25,000 or more a week." She also said, "This is a game changer. The income is insane. If you lock arms with us, you follow the system... you will not fail, I promise you, you will not fail, as long as you lock arms with us and follow the system, it's incredible."

25. At that same meeting, Steven Merritt said "The money keeps coming, even if you don't show up, and you can't stop it. It's like a spigot of water but a spigot full of \$100 bills throwing at you, coming at you. You can't stop it. Anybody want that?"

26. On or around May 2025, Steven and Gina Merritt posted a video to their Facebook page, where they promoted their #millionaireacademy, along with claims of "set[ting] your family free," "being able to outpace inflation," and multiple pictures of \$100 bills. The caption to the video said:

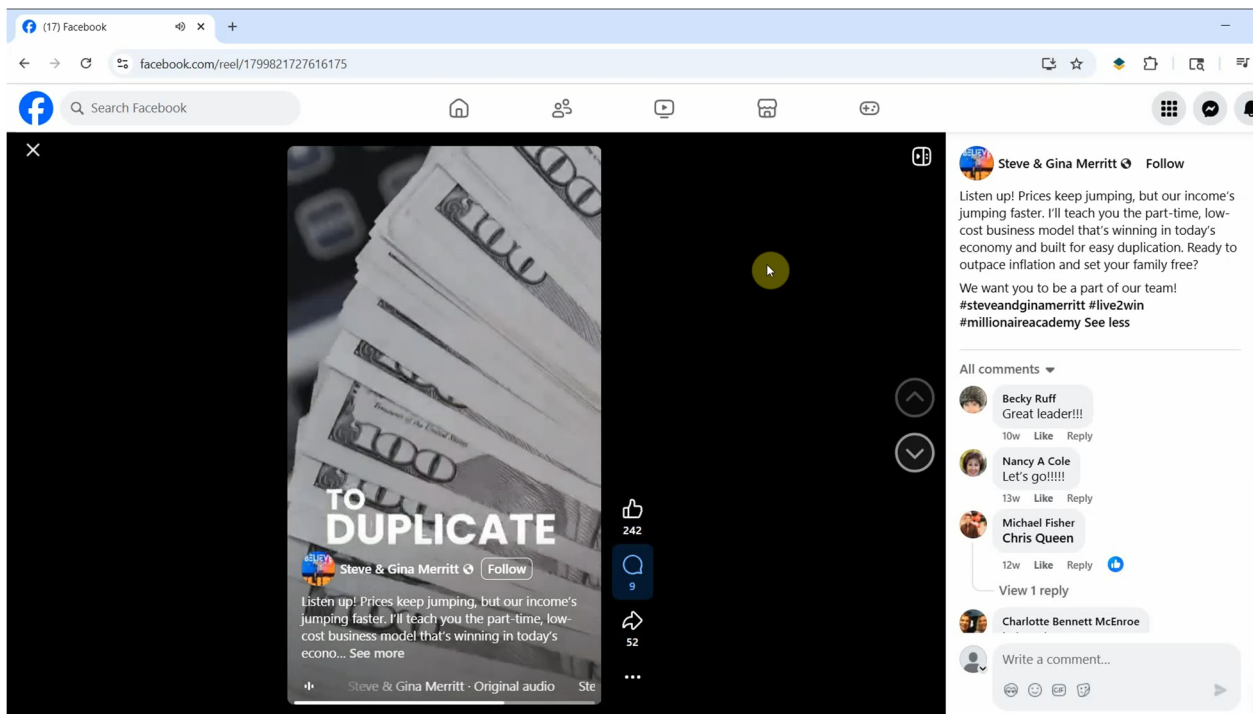
Listen up! Prices keep jumping, but our income's jumping faster. I'll teach you the part-time, low-cost business model that's winning in today's economy and built for easy duplication. Ready to outpace inflation and set your family free? We want you to be a part of our team! #steveandginamerritt #live2win #millionaireacademy.

In the video, Steven Merritt said,

The cost of living has spiked. What are you going to do about it?... What if you could take advantage of a business that you could start at a very low income, under \$1,000, and you could build a business on your part-time effort. So, you get to keep doing what you are doing in your full-time career, and on the side in your unproductive time, create a second stream of income that allows you to duplicate yourself. That’s the key word. We want to help you understand the power of getting involved in a duplicatable company, a duplicative opportunity that has a proven system to allow you to set your family free.

The video included repeated images of multiple \$100 bills. For example, see Figure 2 below.

Figure 2: Excerpt of May 2025 Steven & Gina Merritt Facebook Post



27. On or about April 2025, Steven Merritt posted a video on his Facebook page that had the following caption, “This isn’t about luck, it’s about the system. We’ve helped 237 people become millionaires (and counting) because they followed it. Not many marketers know what it really takes to make millionaires... But we do and we want to help you too. #Live2Win #Millionaire Academy.”

28. On April 22, 2025, Steven and Gina Merritt posted on their Instagram page a video with the following caption: “Stop and pay attention! We are not sure where you are at in

your journey but we found the answer that worked for us and so many more! It gave us the ultimate financial freedom along with over 300,000 others that are engaged and growing.”

29. Steven and Gina Merritt gave a Zoom presentation promoting the Lifewave opportunity that was posted on the This is It Team’s YouTube page on February 26, 2025. At that meeting, Steven Merritt said of the LifeWave MLM opportunity, “it’s a lot of money, all right.” Gina Merritt agreed, “it’s a lot of money.” Steven Merritt continued, “We have multiple multiple multiple multiple multiple friends exceed[] the \$25,000 [a week] team commission... we’re going to help you do the exact same thing. When we started, we didn’t know that was going to happen, but now we know. So we have even more confidence than we did when we started.”

30. Steven Merritt also said:

Everything is free, we want everyone to win, you just have to pay to get into your own business... this is free and you can generate \$25,000 plus a week. Some people say why do you talk about the big money when they can make \$100 a week, \$1,000 a week, \$2,000. Hey, I grew up in Wisconsin. People are very complacent and that’s kind of my personality, but if I can make this kind of money then so can you if put your heart and mind to it. We cannot promise anything. We’re not guaranteeing. It’s all up to the person’s personality, their strides for success, but you can make it happen.

Gina Merritt then said that the video would be posted on YouTube and “I’m sharing that Zoom like big time.”

31. During an October 29, 2024 presentation available on YouTube with Steven Merritt, Gina Merritt said “This should fire you up, because \$200 overhead and ... the income is the sky’s the limit. It’s phenomenal! With \$200 overhead, guys, there is nothing out there like this.” She continued, saying, “The big thing is, it doesn’t matter what occupation you do, what you do for a career, what religion you are. Let me tell you what, this is the hope you have been praying for, and we are here to deliver it. It is amazing. We are excited to lock arms with you and

completely change your whole family’s destiny.”

32. Gina Merritt posted a video on Facebook on or about December 2023, where she said, “Do you ever feel like you’re at job, and you’re like, I am worth more than I am getting paid. And I can help you make the MASSIVE INCOME and make you feel guilty about making that much.”

33. On a video posted to the This is It Team YouTube page on November 28, 2023, Gina Merritt said:

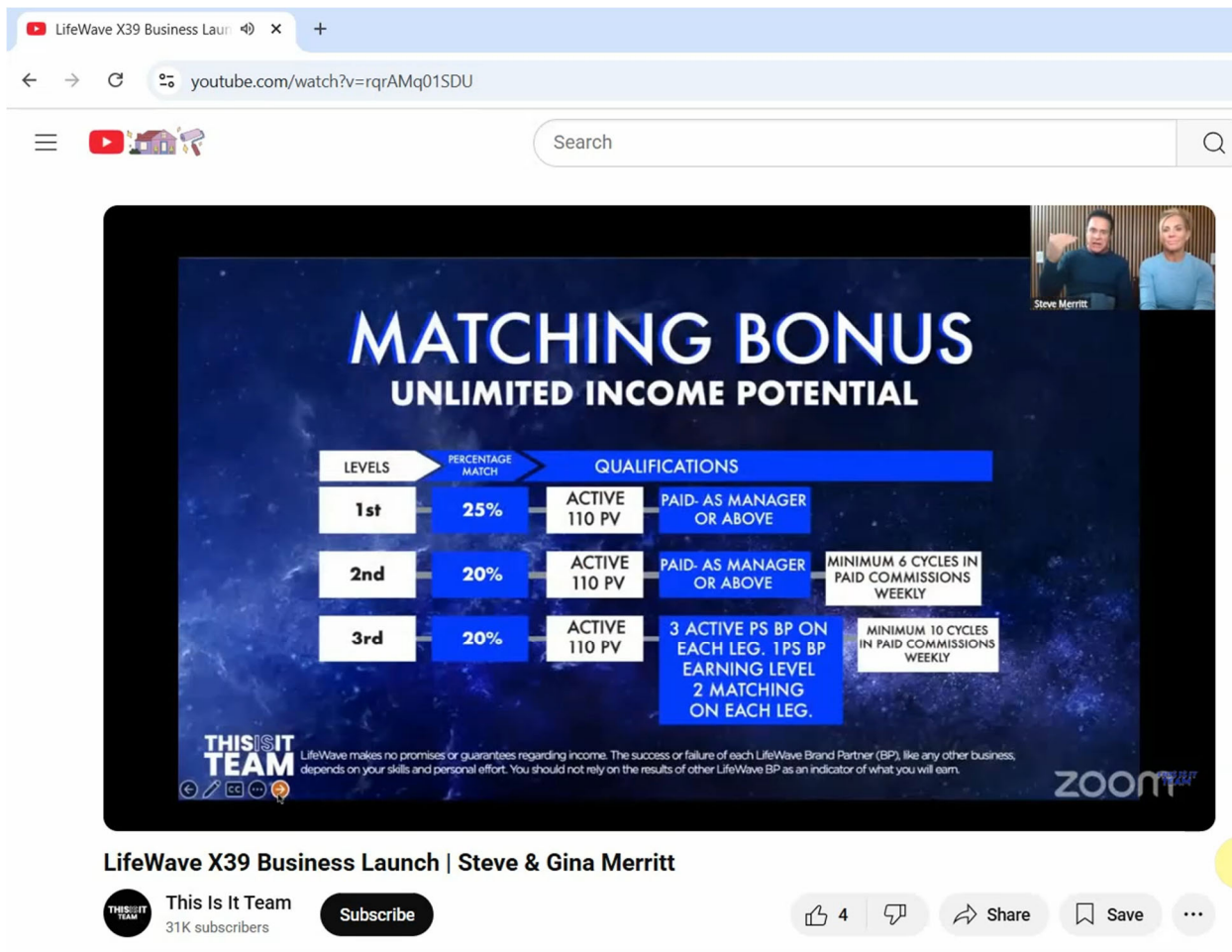
We have created ourselves over 176 millionaires, they have made a million dollars or more. We cannot promise anything for any one of you, but we know what we are doing and we know where we are going and we know the correct and the proper duplication of building this business. So, I encourage you, stay on the track, the same track we’re on, because we want you to win... so you can have the time with your families and have all the dream that you got stored up, you want to travel, you want to get things done, you want to get things for your house... whatever it is what you want to do.

Defendants’ Purported Disclaimers Do Not Alter the Net Impression of their False or Misleading Earnings Claims

34. In most instances, Defendants’ claims are not accompanied by any disclaimers. In the few instances where Defendants accompany their false or misleading income representations with purported disclaimers, these purported disclaimers do not alter the net impression created by Defendants’ misleading representations—namely, that Brand Partners will or are likely to earn substantial income.

35. For example, in the few instances Defendants did include a written disclaimer while making oral earnings claims, the disclaimers were presented at the bottom of the screen, were in small print, were at times obscured by automatic captioning, and were far less prominent than the claims that Brand Partners will or are likely to earn substantial income. (*See, e.g.*, Figure 3, below).

Figure 3: Excerpt from LifeWaveX39 Business Launch Livestream



In Figure 3, the disclaimer is in small text at the bottom of the PowerPoint slide. It reads “LifeWave makes no promises or guarantees regarding income. The success or failure of each LifeWave Brand Partner (BP), like any other bonuses, depends on your skills and personal effort. You should not rely on the results of other LifeWave BP[sic] as an indicator of what you will earn.”

Defendants’ Earnings Claims are Deceptive

36. Contrary to Defendants’ claims, as described below, most LifeWave Brand Partners do not make substantial income.

37. According to LifeWave’s 2024 income disclosure statement, an “active LifeWave

Brand Partner” is a “LifeWave Brand Partner who has purchased products, sponsored another LifeWave Brand Partner, or earned commissions during 2024.” Of the LifeWave Brand Partners who are registered and active, only 21% received a commission payment from LifeWave in at least one month of 2024 for sales that occurred in 2024. That means that 79% of active Brand Partners did not earn any such payments in 2024.

38. The 2024 income disclosure statement also states that the average annual earnings for all U.S. Brand Partners who were active at any time during 2024 was \$651 total before expenses. The statement does not provide the median earnings for these Brand Partners.

39. According to the 2024 income disclosure statement, 92.48% of active Brand Partners are at the lowest rank, and are identified only using the term LifeWave also uses more generally: “Brand Partner.” For people holding that rank, the average annual income was \$36 before expenses and the median annual income was \$0 before expenses.

40. Conversely, at most .035% of active Brand Partners earned more than \$1 million in 2024. No Brand Partner at a rank lower than “Senior Presidential Director” earned more than \$1 million in 2024 and only .07% of active Brand Partners were “Senior Presidential Directors,” LifeWave’s highest rank. Even within that top .07%, the median annual earnings did not approach a million dollars – it was \$239,262 before expenses.

41. In sum, Defendants’ claims that LifeWave Brand Partners will or are likely to earn substantial amounts of money are deceptive.

42. 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, because, among other things:

- Defendants have made deceptive earnings claims repeatedly over a period of three

years despite the publicly available income disclosure statement disproving these claims.

- Defendants know or have knowledge fairly implied on the basis of objective circumstances that their earnings claims are deceptive.
- Defendants are continuing to make the claims at issue and disseminate them broadly.

VIOLATIONS OF THE FTC ACT

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

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

Count I - Deceptive Earnings Claims

45. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of the LifeWave multi-level marketing opportunity, including as described in Paragraphs 12 to 35 above, Defendants represent, directly or indirectly, expressly or by implication, that consumers who work as Brand Partners for LifeWave will or are likely to make substantial earnings.

46. The representations set forth in Paragraph 45 are false, misleading, or were not substantiated at the time the representations were made.

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

PRAYER FOR RELIEF

Wherefore, the FTC requests that the Court:

- A. Enter a permanent injunction to prevent future violations of the FTC Act; and
- B. Award any additional relief as the Court determines to be just and proper.

Dated: 4/27/2026

Respectfully submitted,

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