FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

Defendants Settle Allegations They Deceived Consumers Through Get-Rich-Quick Scheme

FOR RELEASE

June 14, 2018

TAGS: Technology | Bureau of Consumer Protection | Consumer Protection | Advertising and Marketing | Online Advertising and Marketing

Operators of a get-rich-quick scheme have agreed to a permanent ban on marketing or selling certain types of software as part of settlements with the Federal Trade Commission over allegations that the defendants deceived consumers by falsely claiming they could earn big money working online by using products marketed as "secret codes."

In a complaint filed by the FTC, the Commission alleges that Ronnie Montano, Hyong Su Kim (also known as Jimmy Kim), Martin Schranz and their related companies bilked consumers out of millions of dollars by falsely promising they could earn hundreds to thousands of dollars a day using the defendants' Mobile Money Code products. In reality, these products were generic software applications that could help the user make mobile-friendly websites.

The complaint alleges that the defendants contacted consumers primarily with deceptive spam emails, sent by affiliate marketers in violation of the FTC Act's prohibition against deceptive practices. Consumers who then went to the defendants' websites were met with more deceptive claims, including online videos that featured individuals who falsely claimed they made hundreds to thousands of dollars per day using the defendants' products. The complaint also alleges that the defendants did not honor their "60-day hassle-free money back guarantee" and made it extremely difficult, if not impossible, to obtain a full or partial refund.

Additionally, the FTC alleges that the defendants violated the CAN-SPAM Act by sending commercial email messages that included misleading subject lines, failed to identify themselves as ads, included no valid physical address of the sender, and did not offer recipients a way to opt out of future messages.

As part of settlements with the FTC, the defendants have agreed to a $7 million judgment. This judgment will be suspended upon payment of a total of $698,500, which will be used to refund consumers defrauded by the defendants' scheme. The defendants also are prohibited from marketing or selling money-making software, from making misrepresentations in the promotion, marketing or sale of any good or service, from violating the CAN-SPAM Act, and from using any consumer information they collected.

The Commission vote approving the stipulated final orders was 5-0. The FTC filed the proposed orders in the U.S. District Court for the Middle District of Florida, Orlando Division.

NOTE: Stipulated final orders have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about consumer topics and file a consumer complaint online or by calling 1-877-FTC-HELP (382-4357). Like the FTC on Facebook, follow us on Twitter, read our blogs and subscribe to press releases for the latest FTC news and resources.

PRESS RELEASE REFERENCE:
FTC Alleges Get-Rich-Quick Scheme Bilked Consumers out of Millions with Deceptive Claims

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