UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

FEDERAL TRADE COMMISSION, Plaintiff, v. RONNIE MONTANO, individually and as owner of MONTANO ENTERPRISES LLC, HYONG SU KIM, a/k/a JIMMY KIM, individually and as owner of JK MARKETING LLC, MARTIN SCHRANZ, individually and as owner and officer of GSD MASTER AG, MONTANO ENTERPRISES LLC, a New Jersey limited liability company, JK MARKETING LLC, a Nevada limited liability company, GSD MASTER AG, a Swiss limited company, Defendants.	**Case Number :** **COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), 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), and Section 7(a) of the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ("CAN-SPAM Act"), 15 U.S.C. § 7706(a), to obtain permanent injunctive relief, 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), and the CAN-SPAM Act, 15 U.S.C. §§ 7701-7713.

SUMMARY OF THE CASE

2. Since 2013, Defendants conducted a business opportunity scheme that established multiple affiliate marketing programs and used them to deceptively market a series of software products and upsell/add-on products and services (the "Mobile Money Code Products") to consumers looking to make money from home. Defendants marketed the Mobile Money Code Products through a network of affiliates that primarily used unsolicited commercial email (spam) to attract consumers to Defendants' marketing websites. Defendants (and their affiliates) deceptively marketed the Mobile Money Code Products as risk-free, "automatic money systems" and "secret codes" that could generate hundreds to thousands of dollars each day for users. Based upon such false representations, consumers typically paid Defendants for an initial product purchase and up-sell/add-on products and services, ranging from $49 to several hundred dollars. Only after receipt of the Mobile Money Code Products did some consumers realize that they had purchased generic software applications and commonplace information for creating mobile-friendly websites, and nothing akin to "automatic money systems" or "secret codes." Defendants made false and unsubstantiated earnings claims, misrepresented the nature of the Mobile Money Code Products, and falsely promised a 60-day, hassle-free, money back guarantee, thereby defrauding consumers of not less than $7 million.

JURISDICTION AND VENUE

3. 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), and 7706(a).

4. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b)(2) and (3), (c)(2) and (3), (d), and 15 U.S.C. § 53(b).

PLAINTIFF

5. 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. The FTC also enforces the CAN-SPAM Act, 15 U.S.C. §§ 7701-7713, as if statutory violations of the CAN-SPAM Act "were an unfair or deceptive act or practice proscribed under Section 18(a)(1)(B) of the [FTC Act] (15 U.S.C. 57a (a)(l)(B))." 15 U.S.C. § 7706(a).

6. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the CAN-SPAM Act and to secure such equitable relief as may be appropriate in each case, including restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A), 56(a)(2)(B), 57b, and 7706(a).

DEFENDANTS

7. As detailed below, this case involves three individual defendants who were chiefly responsible for the operation's deceptive marketing practices, and their respective companies, which they used as instrumentalities to further the overall marketing strategy. Both the individual and corporate defendants participated in the wrongful acts and materially contributed to the losses suffered by consumers.

The Individual Defendants

8. Defendant Ronnie Montano is the mastermind behind the scheme's affiliate marketing programs and is largely responsible for managing the operation's relationships with an

overseas affiliate network and multiple payment service providers. He is also the sole manager and employee of Montano Enterprises LLC. At all 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 of Montano Enterprises LLC, including the acts and practices set forth in this Complaint. Defendant Montano 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 Hyong Su Kim, a/k/a Jimmy Kim is an individual who resides in San Diego, California. Jimmy Kim is the product creator for most of the Mobile Money Code Products sold through Defendants' affiliate marketing programs and the architect of the fulfillment, customer support and upsell arms of the operation. He is also the managing member and owner of JK Marketing LLC. At all 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 of JK Marketing LLC, including the acts or practices set forth in this Complaint. In connection with the matters alleged herein, Defendant Kim transacts or has transacted business in this district and throughout the United States.

10. Defendant Martin Schranz is an Austrian citizen who resides in Arbon, Switzerland. Schranz is the Chairman of the Board and President of GSD Master AG. He worked largely behind the scenes to finance the operation and establish many of the accounts Defendants used to receive consumer payments and pay various third parties. In December 2011, Schranz and Montano Enterprises LLC executed an agreement memorializing a principal-agent relationship between the two defendants (the "Agreement"). Schranz hired defendant Montano to, *inter alia*, manage the operation's affiliate marketing program. Schranz was regularly

copied on email communications sent by Montano and Kim to affiliate marketers, which typically included sample spam emails for the affiliate marketers to send. At all 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 of GSD Master AG, including the acts or practices set forth in this Complaint. In connection with the matters alleged herein, Defendant Schranz transacts or has transacted business in this district and throughout the United States.

The Corporate Defendants

11. Defendant Montano Enterprises LLC ("Montano Enterprises"), is a New Jersey limited liability company with its registered address at 12472 Lake Underhill Road, Office 423, Orlando, Florida 32828. Montano Enterprises was responsible for, among other functions, contracting with multiple payment service providers to process consumer payments and providing payments to the affiliate network that promoted Defendants' affiliate programs. Montano Enterprises transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Montano Enterprises has advertised, marketed, distributed, or sold the products and services at issue in this Complaint to consumers throughout the United States.

12. Defendant JK Marketing LLC ("JK Marketing") is a Nevada limited liability company with its principal place of business at 10620 Treena Street, #160, San Diego, California 92131. JK Marketing was responsible for, among other functions, registering many of the websites on which Defendants marketed the Mobile Money Code Products and maintaining ongoing email communication with affiliates to encourage their performance. JK Marketing transacts or has transacted business in this district and throughout the United States. At all

times material to this Complaint, acting alone or in concert with others, JK Marketing has advertised, marketed, distributed, or sold the products and services at issue in this Complaint to consumers throughout the United States.

13. Defendant GSD Master AG ("GSD Master") is a Swiss limited company with its principal place of business at Grabenstrasse 2, 9320 Arbon, Switzerland. GSD Master established many of the operation's business activities, including but not limited to opening advertiser/seller accounts with the affiliate network and merchant accounts with payment service providers in the U.S. and overseas. GSD Master additionally made multiple wire payments to Defendants Kim and JK Marketing as remuneration for product creation and/or promotion of the Mobile Money Code Products. GSD Master transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, GSD Master has advertised, marketed, distributed, or sold the products and services at issue in this Complaint to consumers throughout the United States.

COMMERCE

14. 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.

DEFINITIONS

15. "**Electronic mail message**" (or "email") means a message sent to a unique electronic mail address. 15 U.S.C. § 7702(6).

16. "**Electronic mail address**" means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox (commonly referred to as the "local

part") and a reference to an Internet domain (commonly referred to as the "domain part"), whether or not displayed, to which an electronic mail message can be sent or delivered. 15 U.S.C. § 7702(5).

17. "**Commercial electronic mail message**" means any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service (including the content on an Internet website operated for commercial purposes). 15 U.S.C. § 7702(2).

18. "**Initiate**," when used with respect to a commercial electronic mail message, means to originate or transmit such message or to procure the origination or transmission of such message. 15 U.S. C. § 7702(9).

19. "**Procure**," when used with respect to the initiation of a commercial electronic mail message, means intentionally to pay or provide other consideration to, or induce, another person to initiate such a message on one's behalf. 15 U.S.C. § 7702(12).

20. "**Protected Computer**" means a computer which is used in or affecting interstate or foreign commerce or communication, including a computer located outside the United States that is used in a manner that affects interstate or foreign commerce or communication of the United States. 15 U.S.C. § 7702(13).

21. "**Recipient**," when used with respect to a commercial electronic mail message, means an authorized user of the electronic mail address to which the message was sent or delivered. If a recipient of a commercial electronic mail message has one or more electronic mail addresses in addition to the address to which the message was sent or delivered, the recipient shall be treated as a separate recipient with respect to each such address. If an electronic mail

address is reassigned to a new user, the new user shall not be treated as a recipient of any commercial electronic mail message sent or delivered to that address before it was reassigned.

22. "**Sender**" means a person who initiates a commercial electronic mail message and whose product, service, or Internet Web site is advertised or promoted by the message. 15 U.S.C. § 7702(16).

DEFENDANTS' BUSINESS ACTIVITIES

Overview of Defendants' Deceptive Online Money-Making Scheme

23. In December 2011, Schranz and Montano executed an Agreement wherein, *inter alia*, Montano Enterprises agreed to promote to affiliates as-yet-unknown online products that would be owned by Schranz, and Schranz agreed to pay for the costs of production and promotion. Sometime thereafter, Kim agreed to provide Montano the online products that became the subject of the Agreement between Schranz and Montano Enterprises.

24. Pursuant to their agreements, since at least 2013, Defendants established and maintained elaborate affiliate marketing programs to promote a series of software products and upsell/add-on products and services online under diverse names such as: Mobile Money Code, eMobile Code, Auto Mobile Code, Easy Cash Code, Full Money System, and Secret Money System (collectively, the "Mobile Money Code Products").

25. Defendants made numerous deceptive earnings and product claims regarding the Mobile Money Code Products, such as:

- This code is designed to make you money right away … AND it's completely automatic
- This is a secret method folks are using to make thousands of dollars per day (seriously!)

- Here's a Live Training Video showing you case studies of beginners and normal people just like you, making $4,000 a Day using their cell phones
- This weekend, you can start your journey to generating 60k a month on 100% autopilot
- You can make 1,000 to 5,000 a day just by having this app running in the background….And it's FREE for beginners

26. In truth and in fact, users could not generate hundreds or thousands of dollars per day from the Mobile Money Code Products as falsely marketed. Nor were the Mobile Money Code Products "secret codes" that could generate huge sums of money on autopilot.

27. The Mobile Money Code Products were generic software products that instructed users on how to make mobile-friendly and micro-niche websites (i.e., websites designed to generate significant traffic by focusing on keywords and targeted audiences).

28. Defendants made these deceptive claims themselves directly through their websites, as well as through spam emails sent by individuals known as "affiliate marketers," who were acting on Defendants' behalf. Defendants engaged the affiliate marketers to market their Mobile Money Code Products and attract consumers to Defendants' marketing websites through spam email containing hyperlinks.

29. Defendants typically gained access to affiliate marketers through third parties known as "affiliate networks," which provide product advertisers access to the pool of affiliates participating in the networks and allow affiliates to more easily find and participate in affiliate marketing programs.

30. The primary affiliate network Defendants used was ClickSure Payments Ltd. ("ClickSure"), registered in Mauritius as a Limited Company trading as ClickSure.com.

31. Defendants paid ClickSure to promote the Mobile Money Code Products to affiliates through its online marketplace, track the leads and purchases that each affiliate generated, pay commissions to affiliates, and sometimes provide payment processing services.

32. The affiliate marketers participating in the ClickSure affiliate network typically received commission payments between $45 and $70 for each "action" (i.e., cost-per-action ("CPA")), or instance in which a consumer clicked on a link in a spam email and ultimately purchased a Mobile Money Code Product.

33. As affiliate managers, Defendants Montano, Kim, and their respective companies developed and monitored affiliate promotions on behalf of Defendants Schranz and GSD Master, including by drafting spam emails that made deceptive earnings and product claims, and maintaining ongoing communications with affiliate marketers and Defendant Schranz regarding product launches and performance.

34. Defendants' own marketing websites typically repeated the same deceptive claims they provided for their affiliates' spam emails, and urged consumers to make an initial purchase of a Mobile Money Code Product, typically for $49 or less.

35. Defendants encouraged consumers to enter their payment information on websites hosted by one of the many domestic or international entities that Defendants hired to provide payment processing services.

36. After consumers made their initial purchases, Defendants provided consumers access to their websites' "member's areas." In these "member's areas," Defendants commenced

marketing upsells and additional add-on products and services, typically by making more deceptive earnings and product claims regarding the Mobile Money Code Products.

37. Defendants amassed valuable personal information regarding consumers who purchased the Mobile Money Code Products, which Defendants compiled into "lead lists" to be sold or used in future online marketing campaigns.

38. Defendant Schranz compensated Defendant Montano for managing the marketing of the Mobile Money Code Products, at least partially, by providing him with these lead lists, which Montano sold to lead brokers for over $650,000.

39. Defendant GSD Master received more than $8 million from its sale of lead lists to lead brokers doing business as, among other names, Thrive and Guidance, which the FTC sued in June 2017 for deceptively marketing "business coaching" services. *See FTC v. Lift International, LLC, et al.*, No. 2:17-cv-00506-RJS (D. Utah filed Jun. 5, 2017); *FTC v. Thrive Learning, LLC, et al.*, No. 2:17-cv-00529-DN (D. Utah filed Jun. 6, 2017).

40. Defendants GSD Master and Schranz also made multiple wire payments to Defendants Kim and JK Marketing as remuneration for product creation and/or promotion of the Mobile Money Code Products.

41. Defendants' scheme had three interconnected phases: (1) the Initial Sales Pitch/Spam Email phase; (2) the Marketing Website/Initial Purchase phase; and (3) the Upsells/Add-On Products & Services phase.

42. Each phase was an integral part of Defendants' operation, the purpose of which is to deceive consumers and take as much of their money as possible.

43. In all phases of their scheme, Defendants used a variety of misleading and deceptive tactics that violated the Federal Trade Commission Act, the CAN-SPAM Act, or both.

44. Defendants were aware of consumer complaints regarding the use of deceptive statements and spam emails to market the Mobile Money Code Products, as well as high refund and chargeback rates associated with consumer purchases.

Phase One: Defendants Lured In Consumers with

Deceptive Initial Sales Pitch and Spam Emails

45. In the first phase of their scheme, Defendants used pop-up advertisements, search engine results, and unsolicited commercial (spam) emails to make initial contact with consumers possibly interested in work-at-home business opportunities.

46. In this phase, Defendants lured consumers to their marketing websites or "landing pages."

47. Defendants directed affiliate marketers to send tens of thousands of spam emails to consumers containing hyperlinks that directed consumers to Defendants' marketing websites. (Some consumers also arrived at Defendants' marketing websites after clicking on banner advertisements or conducting online searches for work-at-home business opportunities.)

48. In addition to procuring the deceptive spam emails sent by their affiliate marketers, *infra* para. 49, Defendants JK Marketing, Jimmy Kim, and Ronnie Montano also sent deceptive spam emails directly to consumers through their own affiliate accounts with ClickSure to drive consumer purchases of some Mobile Money Code Products.

49. All six Defendants are "initiators" of these commercial electronic mail messages, which they either originated or transmitted themselves, or procured the origination or transmission of, through payments or other consideration, or inducements.

50. Defendants also are all "senders" of these commercial electronic mail messages, which they have initiated and which advertise or promote Defendants' websites and Mobile Money Code Products.

51. Defendants paid their affiliate marketers for each consumer that clicked on a link and ultimately purchased Mobile Money Code Products.

52. The spam emails initiated by Defendants' affiliate marketers frequently included misrepresentations created or drafted by Defendants, which typically claimed that the Mobile Money Code Products offered consumers a valuable opportunity to generate large sums of income while working from home. Below are examples of spam emails marketing the Mobile Money Code Products:

From: Sara J [redacted] <promo@emobilecode.com>
To: [redacted]
Cc:
Subject: [Spam] NEED YOUR HELP (Beginners Preferred)

Hi there,

I need your help for one second.
This is really important and involves
you getting PAID today.

I need you to help me "beta-test"
a brand new mobile app that's making
over $44,491 per MONTH for its users.

If you've never made a penny online before,
this is EXACTLY what you've been looking for.

Take 5 seconds to apply here:

==> http:/ /mike81.emcode.clicksurecpa.com

Here are the details:

- No Experience Necessary

- Beginners Are Preferred
- No websites needed
- No CPA
- No PPC
- No Fake "1-Click" Systems To Try
- No Fake Actors
- JUST REAL RESULTS
- Live Proof and Live Case Studies

You simply DOWNLOAD THE APP and GET PAID.

Go here right now and download the app:

==> http:/ /mike81.emcode.clicksurecpa.com
REMEMBER: BEGINNERS ARE PREFERRED.

If you're a beginner, you need to register
and download the app now.

Sara J[redacted]

Unsubscribe me from this list

Figure 1: Affiliate marketer spam email marketing eMobile Code.

-------- Original Message --------
Subject: Message #7401G0469
Date: Sat, 25 Jan 2014 06:12:57 -0800 (PST)
From: Mobile Money Code <[redacted]@yahoo.com>
Reply-To: Mobile Money Code <[redacted]@yahoo.com>
To: [redacted]
if you find you blow 50 minutes a day to make an extra $2000 monthly, would you deal with it?
read this http ://nl.expotrans.biz/Thomas/dp.php?
m=q0cgvSm9NGWnz0cJJNc6Cnpqbc46Z/JtF7Av6II7zRpZygYw1
To your success
Florence

Figure 2: Affiliate marketer spam email marketing Mobile Money Code.

From: Nils L[redacted] <[redacted]@outlook.com>
To: [redacted]
Sent: Monday, May 5, 2014 9:45 AM
Subject: Mark

Mark,

This 100% Free Internet Video has made my mouth drop: http://bit.ly/1mkUp5r

The man behind the Internet Video has generated over
$3.9 Million in real profit utilizing a FREE system.

Not only that - he's helped over 2,183 students
EXACTLY like you quit their jobs (he did this in 2012).

He is straight back with a new Internet Video that is being taken
down in 24 hours or LESS!

100% Free Web Video here: http://bit.ly/1lIHbMW

Do not miss this!

- Wynn P[redacted]

Figure 3: Affiliate marketer spam email marketing Mobile Money Code.

53. As seen in the examples above, the spam email sent by Defendants' affiliate marketers frequently contained subject headings that Defendants knew or had reason to know, would be likely to mislead a recipient, acting reasonably under the circumstances, about a material fact regarding the content or subject matter of the message.

54. Numerous recipients complained of receiving spam emails that failed to include clear and conspicuous notice of the recipients' opportunity to decline to receive further commercial electronic mail messages from Defendants at the recipients' email address. Other recipients complained of receiving spam emails that failed to contain a proper opt-out mechanism or that Defendants' affiliates continued to send such spam despite recipients' requests to opt out of future emails.

55. These spam emails also failed to identify the valid physical postal address of their "sender," which was Defendants.

56. As affiliate managers, Defendants Montano, Kim, and their respective companies regularly provided affiliate marketers with ready-made promotional content such as ads, banners and email "swipes" (i.e., template spam emails), and typically copied Defendant Schranz on such communications. What follows are typical examples of swipes which Defendant Ronnie Montano emailed to his Joint Venture ("JV) partners/affiliate marketers, who in turn emailed them to consumers:

SWIPE #1 - unique swipe

Subject:

You have a e-card from Greg
FIRSTNAME, you got mail
Ecard received from Greg
Special Delivery for EMAIL

Body:

Hey NAME,

You've received a special video
e-card from greg:

http://YOUR_CLICKSUREID.553.clicksureCPA.com/

He wants to share with you how
YOU could profit $45,422 with
JUST your mobile phone.

Please open immediately as this
video e-card will expire in 4 hours:

http://YOUR_CLICKSUREID.553.clicksureCPA.com/

Talk Soon,

YOUR NAME

Figure 4: Swipe for affiliate use in marketing Mobile Money Code.

SUBJECT:
Take this gift, but keep it a secret.
Don't tell anyone I'm giving you this…
Keep this a secret (please)

BODY:
Great news.

I have a FREE GIFT for you right here:

==> http://YOUR_CLICKSUREID.secretmon.clicksureCPA.com/

This is a secret method folks are using to make
thousands of dollars per day (seriously!)

You can get access right now as a secret promotion.

However, you have to promise me
NOT TO SHARE this with anyone else.

Get your gift there:

==> http://YOUR_CLICKSUREID.secretmon.clicksureCPA.com/

Hurry. Make sure to get this right now.

Figure 5: Swipe for affiliate use in marketing Secret Money System.

57. As seen in the examples above, the swipes often contained recommended subject headings likely to mislead a recipient regarding the messages' contents, such as "Take this gift, but keep it a secret." Other swipes sent by or on behalf of Defendants included recommended misleading subject headings that stated: "Need Your Help – Urgent," "Did you see this video last night on the NEWS?," "In transit: Payment into your account," "Warning: Serious error with your account," and "Sorry FIRSTNAME, wrong link."

58. Also, as seen above, the swipes typically omitted Defendants' valid physical address and any clear and conspicuous notice of the recipient's opportunity to decline to receive further commercial electronic mail messages from Defendants' affiliate marketers.

59. The swipes also typically made false and unsubstantiated earnings claims and misrepresented the nature of the Mobile Money Code Products.

60. One such swipe sent by Defendants Kim and JK Marketing to affiliate marketers promoting Full Money System stated, "This Internet Millionaire is building 500 businesses with 500 students. He is GUARANTEEING that you will generate $100,000 or more," and included links to the Full Money System marketing website.

61. Defendants Montano and Kim posted their promotional material, including swipes, on websites they registered and operated, such as mmcjv.com, emcjv.com, amcjv.com, fmsjv.com ("JV/Affiliate webpages"), and frequently alerted their affiliate marketers of its availability via emails referred to as JV/Affiliate announcements, on which Schranz was regularly copied. What follows are typical examples of such JV/Affiliate announcements:

To: jimspeed@gmail.com[jimspeed@gmail.com]
From: user-rx@deliverabilityplus.com
Sent on behalf of: [JV] Dan & Jimmy
Sent: Tue 3/4/2014 2:24:08 PM
Importance: Normal
Subject:[Preview] Day One – Amazing Day!
MAIL_RECEIVED: Tue 3/4/2014 1:33:25 PM

WOW.
What a Day #1!
Finishing off at $325k in gross sales for the first 24 hours!
FMS is already #4 in the Clicksure Marketplace in just 1 day!
The live leaderboard has been updated - Check it out:

http://fmsjv.com/launch-leaderboard.cfm
Lots of big changes and movers and shakers!!
The 24 Apple Contest is wrapping up and here are your
winners:
First to 5 sales - Apple TV (Value $100) -- Anthony, Adrian, & Tim
First to 20 sales - Apple iPod Touch (Value $229)—Zak [redacted]
First to 30 sales- Apple iPad Mini (Value $300)- Zak [redacted]
First to 50 sales- Apple iPad Air (Value $500)- Ronnie Montano
First to 100 sales - Apple Macbook Air (Value $1000)- Ronnie Montano

The final prize spot was TIGHT race but Ronnie took the edge out over Zak by just 2 sales.

I had to do a few recounts JUST to make sure.
But watch out Zak - Ronnie started to send the rain and is after the TOP spot on this launch!

With that said, guys this offer is HOT HOT HOT and you need to get your swipes right now:

http://www.fmsjv.com/jv/thankyou/?opptinn=1#swipes
Que up and mail HARD!
Remember there is OVER $20K in play for the prizes and it's still anyones game!
And I see tons of new ID's popping up today and I can't wait to see who takes it home!

We won't forget this amazing support - THANK YOU!

Talk Soon,

Dan & Jimmy

..
JK Marketing LLC 2657 Windmill Parkway #233 Henderson NV 89074

If you no longer want our communication emails, please Unsubscribe From Future Emails

Figure 6: JV/Affiliate Announcement promoting Full Money System emailed from JK Marketing to affiliates.

Subject: Swipe to use
From: "Jimmy Kim" <jkim@lurn.com>
Received(Date): Tue, 07 Oct 2014 01:47:00 +0000
To: "Ronnie Montano" <ronniemontano@gmail.com>

Hello Super JV friends!

I'm going to keep this email SHORT and SWEET!

We're moved right past the $400k mark and quickly approaching the $450k mark since my last update.

REMEMBER - I've bumped EVERYONE'S CPA to $70 til 5PM EST

ANDDDD…

If we hit OVER $500k by noon tomorrow, I'll Bump everyone's CPA to $75k!

I just updated the main leader board.. CHECK THIS OUT:

http://launchleaders.com/amc

AMAZING support.. regardless if your #1 or #55..or #100.. I see you and
THANK YOU for the support you give me … on this and every launch.

That's why we're running this 24 hour CONTEST!

It started at 5pm Eastern today and ends at 5pm Eastern tomorrow. for most sales

1st) $1200
2nd) $500
3rd) $300
4th) $200
5th) $100

Again, that started at 5pm Eastern earlier today

How do I get started?
Find your custom made email swipes here: http://amcjv.com/jv/thankyou/#newswipes

Good night!

--
Jimmy Kim
Lurn Inc/JuJuQ Inc
Email: jkim@lurn.com
Ping me on Skype - jimmykim81

Figure 7: JV/Affiliate Announcement including swipes for marketing Auto Mobile Code emailed from Jimmy Kim to Ronnie Montano.

62. As demonstrated by the JV/Affiliate announcement above, Defendants paid affiliate marketers based on the number of sales they produced, and frequently held "contests" to generate sales and rewarded high-sales-producing affiliates with additional money and/or prizes.

Phase Two: Defendants' Deceptive Marketing Websites Tricked Consumers Into Making an Initial Purchase

63. At the direction of defendant Schranz, defendants Montano, Kim, and their respective companies registered, paid for, designed, and operated numerous websites on which Defendants marketed their Mobile Money Code Products to consumers, including but not limited to mobilemoneycode.com, emobilecode.com, automobilecode.com, easycashcode.com, secretmoneysystem.com, and fullmoneysystem.com.

64. Once consumers arrived at Defendants' marketing websites, they typically encountered additional deceptive claims regarding the Mobile Money Code Products, often presented through online videos featuring hired actors. For example, an online video on the Mobile Money Code marketing website featured an individual claiming to have made $400 in a single hour after taking only five minutes to set up the Mobile Money Code Product he purchased. Similarly, an online video on the Auto Mobile Code marketing website featured purported users claiming to have made thousands to hundreds of thousands of dollars per day using Auto Mobile Code.

65. Consumers who attempted to leave the marketing websites without agreeing to purchase the Mobile Money Code Products at the initial offer price were often repeatedly blocked from exiting the website by a series of pop-up messages encouraging them to stay on the page to receive a "very important message" or offering "special" price reductions, which typically lowered the initial purchase price to $9.

66. If consumers still attempted to exit the websites, they typically encountered repeated pop-up advertisements offering them further "deals" of allegedly free bonus products or materials, which consumers were eventually expected to purchase.

67. Consumers who ultimately agreed to make an initial purchase were directed to complete their purchases on websites hosted by one of several entities Defendants hired to provide payment processing services.

Defendants Misrepresented Consumers' Earning Potential

68. The online marketing videos often repeated and embellished the deceptive earnings claims initially made by the affiliate marketers on behalf of, and at the urging of, Defendants.

69. Such videos typically included "testimonials" from hired actors giving examples of "real life rags to riches" stories while sitting in extravagant homes or surrounded by luxury cars or private jets.

70. The mobilemoneycode.com website, for example, included an hour-long video (also available on YouTube) that was short on detail about how the "Mobile Money Code" actually worked, but long on extravagant earnings claims and stories of purported users who earned tens of thousands of dollars per month working just a few hours per day.

71. In an online video marketing Auto Mobile Code, a couple purporting to be the product creators describe themselves as "simply normal people just like [the viewers]. Only lately [they've] been making huge amounts of money. Tens of thousands of dollars a day…." In the same video, the couple interviews numerous other purported product users that make earnings claims such as: "I didn't even do anything…and I made almost two grand!" and "I've made $25,300 so far, and it's only been 12 weeks."

72. Similarly, in a marketing video on the eMobile Code website, the hired actors represented that they were making hundreds to thousands of dollars per day by using eMobile Code:

> "My friend introduced me to this thing called the eMobile Code. It's the first way to make money online that actually works. And now I'm making $500 a day. It runs in the background so I don't have to be on the computer and it's just pulling money into my account. My friend is making even more than I am. Over $1000 a day because he spends more time on it."

73. Defendants' earnings claims were false or, at best, unsubstantiated. Typically, consumers earned nothing from their purchase and use of the Mobile Money Code Products.

74. Even consumers who eventually purchased the upsells and add-ons marketed by Defendants did not typically earn any significant income from the Mobile Money Code Products.

75. Many consumers lost hundreds of dollars by participating in these work-at-home, online business opportunities.

76. Although some of Defendants' marketing websites included disclaimers at the bottom of the webpage regarding the income consumers could expect to earn, the disclaimers were not clear and conspicuous. Rather, these disclaimers were located far from the videos in which Defendants made the majority of their earning claims. Consumers could not view the videos and the disclaimers at the same time. Instead, consumers would have to scroll to the bottom of the webpage, and on some of the websites for certain Mobile Money Code Products, click on a link to a separate webpage, before actually viewing the disclaimers. For example, on the same webpage of the Auto Mobile Code marketing website where Defendants asserted that "simply normal people" were making tens of thousands of dollars a day using Auto Mobile Code, a disclaimer located at the bottom of the webpage stated:

> The typical purchaser does not make any money using this system. AutoMobileCode.com does not guarantee income or success, and examples shown in this presentation do not represent an indication of future success or earnings. The company declares the information shared is true and accurate.

> Every effort has been made to accurately represent the product(s) sold through this website and their potential. Any claims made or examples given are believed to be accurate, however should not be relied on in any way in making a decision whether or not to purchase. Any testimonials and examples used are exceptional results, don't apply to the average purchaser and are not intended to represent or guarantee that anyone will achieve the same or similar results….

Defendants Misrepresented the Nature of the Mobile Money Code Products

77. Defendants' marketing websites often described the Mobile Money Code Products as "business opportunities" worth over $100,000, which Defendants were offering to a limited number of select consumers at low prices ranging from $49 to $149.

78. Such claims were often presented through the online videos featuring hired actors who typically employed vague and misleading descriptions that misrepresented the Mobile Money Code Products as "secret codes" or "ready to go" and "done for you" businesses that could generate income with little or no effort by the consumer:

> "This code [Auto Mobile Code] is designed to make you money right away…AND its completely automatic. We're making money from this code RIGHT NOW…even as we're recording this video! If you don't trust me enough to at least give this a try…if you won't download A FREE money-making code…then I'm sorry, but you must not be very smart."

> "I'm really lucky to have the [Mobile Money Code] tool that can make me money whenever I want. It's almost unfair, I know. Why do I have this special code and get to make all the money I want and you don't? Why is it my wife and I have an unfair advantage making us thousands of dollars every day online but you're still looking for a way to pay your bills? … I'm about to show you how people just like you are now making money with my secret code."

79. In truth and in fact, Defendants' claims regarding the nature of the Mobile Money Code Products were false.

80. The Mobile Money Code Products were nothing more than generic software applications that instructed users on how to make mobile-friendly and micro-niche websites.

81. Upon receiving the Mobile Money Code Products, numerous consumers discovered that the Mobile Money Code Products did not work as Defendants' marketing websites described and were surprised to learn that they had in fact purchased generic software, and not a "secret code" or "money-making machine" that could generate income on autopilot.

82. The bait-and-switch committed by Defendants was further evinced by the webinar "training" and customer support that Defendants offered to consumers, which addressed issues related to mobile website building software, and had nothing whatsoever to do with a "secret method" that could generate large amounts of passive income.

Defendants Misrepresented their Refund Policy

83. Defendants also claimed on their marketing websites that consumers could test the Mobile Money Code Products "for 60 days 100% risk free" or that there was a "hassle-free" "100% money back guarantee," using large banners or icons as shown below:



Figure 8: Banner and icon used on mobilemoneycode.net and easycashcode.com, respectively.

84. Additionally, at least some of the online marketing videos included promises that consumers could test the Mobile Money Code Products for 60 days "completely risk free."

85. Yet in numerous instances, Defendants did not honor the 60-day, hassle-free money back guarantee they claimed to offer.

86. Instead, Defendants made it extremely difficult, if not impossible, to obtain a full or partial refund.

87. Many consumers were unable to obtain a refund because they had difficulty reaching a representative online or via telephone to process their cancellation and refund requests and, if they did reach a representative, Defendants often gave them the run around.

88. Numerous other consumers sought to cancel their purchases and obtain refunds by submitting refund requests to Defendants through a text-based customer support platform provided by one of Defendants' payment processing service providers.

89. Defendants' customer support representatives often failed to provide the requested refund and responded to consumers' refund request tickets with lengthy explanations of how to utilize the Mobile Money Code Products and offers of upsells and additional add-on products and services. For example, one consumer who complained of being scammed and requested a refund failed to receive a response for over forty days and was eventually told the following by Defendants' customer support representative:

> I really apologize if you think you're being scammed but this product is legitimate. There must be something we can do to help and make you stay with us. We'll be more than happy to assist you about any issues you may have. If you could please tell us your concerns or where you're having difficulty with. Please feel free to contact us again if you need further assistance.

90. Defendants' customer support representatives routinely ignored consumers' refund request tickets, often changing such tickets to requests for customer support, unbeknownst to many consumers who assumed their refund requests would be honored.

Phase Three: Defendants Misrepresented that Consumers Needed to Purchase Upsells/Add-On Products & Services to Really Succeed

91. In the scheme's third phase, Defendants urged consumers who made an initial purchase of the Mobile Money Code Products to put the "code" to use.

92. Once consumers clicked "complete order" on the payment processing page, they were typically redirected back to Defendants' marketing websites, and given access to the websites' "member's areas," which were developed and maintained by Defendant Kim.

93. The "member's areas" of Defendants' marketing websites ostensibly provided customer support and addressed refund requests, but principally subjected consumers to additional videos, now urging them to purchase upsells and add-on products and services.

94. For example, Defendants falsely represented through an upsell video for Mobile Mobile Code that they were freely providing consumers that made an initial purchase with "rights" to the hired actor's "50 most profitable business" and "personal income stream" that "pull in cash 24/7."

95. Other examples of such add-on products and services included "free" "ready to go" businesses supposedly worth over $250,000, "done for you" websites purportedly offered as free gifts, an opportunity to be part of an "exclusive syndicate group," and members-only trainings, tutorials and coaching webinars.

96. In actuality, however, Defendants regularly charged consumers hundreds of dollars in "administrative fees" for these "free" add-on products and services. Furthermore, such upsells typically provided minimal instruction and generic or commonplace information.

97. Defendants also made numerous misrepresentations through upsell videos featuring "consumer testimonials" of increased sales and profits resulting from their purchase of additional software or training.

98. For example, a Mobile Money Code upsell video included a "consumer testimonial" in which a purported user stated that "Mobile Money Codes took [his] income to

over $3,500 a day, but the 'done for you' mobile businesses took [his] income to over $15,000 a day."

99. If consumers tried to exit these websites, they were again subject to more videos attempting to convince them that they were missing out on more valuable opportunities.

100. Consumers often spent between $100 and $300 more on these additional Mobile Money Code Products or other website products.

VIOLATIONS OF THE FTC ACT

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

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

Count I

Misrepresentations – Earnings Claims

103. Through the means described in Paragraphs 59 through 60 and 68 through 76, Defendants have, directly or through agents acting on their behalf and for their benefit, represented, expressly or by implication, that use of the Mobile Money Code Products would generate substantial income for consumers, such as from hundreds to thousands of dollars per day and tens of thousands of dollars per month.

104. Defendants' representations described in Paragraph 103 are false, misleading, or were not substantiated at the time the representations were made. In truth and in fact, the vast majority of consumers who used Defendants' Mobile Money Code Products did not earn income anywhere near the amounts Defendants represented, and many consumers earned nothing at all.

105. Therefore, the making of the representations set forth in Paragraph 103 of this Complaint constitute a deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II

Misrepresentations – Nature of Mobile Money Code Products

106. Through the means described in Paragraphs 77 through 82 and 91 through 99, Defendants have, directly or through agents acting on their behalf and for their benefit, represented expressly or by implication, that:

a. the Mobile Money Code Products were "automatic money systems" and "secret codes" or "done for you" businesses that that would generate substantial income for consumers with little to no effort on the consumers' part; and

b. the upsell/add-on components of the Mobile Money Code Products would speed up sales or increase profits for consumers.

107. Defendants' representations described in Paragraph 106 are false, misleading, or were not substantiated at the time the representations were made. In truth and in fact:

a. the Mobile Money Code Products were generic software applications that instructed consumers on how to make mobile-friendly and micro-niche websites, which did not generate substantial income for consumers with little to no effort on the consumers' part; and

b. the upsell/add-on components of the Mobile Money Code Products contained information that could readily be found elsewhere and usually for free, which did not speed up sales or increase profits for consumers.

108. Therefore, the making of the representations set forth in Paragraph 106 of this Complaint constitute a deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III

Misrepresentations – 60-Day, Hassle-Free, 100% Money Back Guarantee

109. Through the means described in Paragraphs 83 through 90, Defendants have represented, directly or indirectly, expressly or by implication, that they would provide hassle-free, full and timely refunds to all consumers who requested a refund within 60 days of the purchase of Mobile Money Code Products.

110. The representations set forth in Paragraph 109 are false and misleading. In truth and in fact, in numerous instances Defendants did not provide either full refunds to consumers who requested them within the 60-day deadline or provided refunds only after consumers expended considerable time and effort to obtain the refund.

111. Therefore, the making of the representations set forth in Paragraph 109 of this Complaint constitute a deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE CAN-SPAM ACT

112. The CAN-SPAM Act became effective on January 1, 2004, and has since remained in full force and effect.

113. Section 5(a)(2) of the CAN-SPAM Act, 15 U.S.C. § 7704(a)(2), states:

> It is unlawful for any person to initiate the transmission to a protected computer of a commercial electronic mail message if such person has actual knowledge, or knowledge fairly implied on the basis of objective circumstances, that a subject heading of the message would be likely to mislead a recipient, acting reasonably

> under the circumstances, about a material fact regarding the content or subject matter of the message (consistent with the criteria used in enforcement of Section 5 of the Federal Trade Commission Act (15 U.S.C. § 45)).

114. Section 7(e) of the CAN-SPAM Act, 15 U.S.C. § 7706(e), states that in any action to enforce compliance through an injunction with Section 5(a)(2) and other specified sections of the CAN-SPAM Act, the FTC need not allege or prove the state of mind required by such sections.

115. Section 5(a)(3)(A) of the CAN-SPAM Act, 15 U.S.C. § 7704(a)(3)(A), states:

> It is unlawful for any person to initiate the transmission to a protected computer of a commercial electronic mail message that does not contain a functioning return electronic mail address or other Internet-based mechanism, clearly and conspicuously displayed, that—
>
> > (i) a recipient may use to submit, in a manner specified in the message, a reply electronic mail message or other form of Internet-based communication requesting not to receive future commercial electronic mail messages from that sender at the electronic mail address where the message was received; and
> >
> > (ii) remains capable of receiving such messages or communications for no less than 30 days after the transmission of the original message.

116. Section 5(a)(5)(A) of the CAN-SPAM Act, 15 U.S.C. § 7704(a)(5)(A), states:

> It is unlawful for any person to initiate the transmission of any commercial electronic mail message to a protected computer unless the message provides:
>
> > (i) clear and conspicuous identification that the message is an advertisement or solicitation;
> >
> > (ii) clear and conspicuous notice of the opportunity under [section 5(a)(3)] to decline to receive further commercial electronic mail messages from the sender; and

(iii) a valid physical postal address of the sender.

117. Section 7(a) of the CAN-SPAM Act, 15 U.S.C. § 7706(a), states:

> [T]his Act shall be enforced by the [FTC] as if the violation of this Act were an unfair or deceptive act or practice proscribed under section 18(a)(1)(B) of the [FTC Act] (15 U.S.C. 57(a)(1)(B)).

Count IV

Misleading Subject Heading

118. In numerous instances, as described in Paragraphs 47 through 53, Defendants have initiated the transmission, to protected computers, of commercial electronic mail messages that contained subject headings that Defendants knew or had reason to know would be likely to mislead a recipient, acting reasonably under the circumstances, about a material fact regarding the content or subject matter of the message.

119. Defendants' acts or practices, as described in Paragraph 118, violate Section 5(a)(2) of the CAN-SPAM Act, 15 U.S.C. § 7704(a)(2).

Count V

Failure to Provide Opt-Out and Notice of Opt-Out

120. In numerous instances, as described in Paragraphs 47 through 54, Defendants have initiated the transmission, to protected computers, of commercial electronic mail messages that do not include:

a. a clear and conspicuous notice of the recipient's opportunity to decline to receive further commercial electronic mail messages from Defendants at the recipient's electronic mail address; and/or

b. a functioning return electronic mail address or other Internet-based mechanism, clearly and conspicuously displayed, that a recipient could use to submit, in a

manner specified in the message, a reply electronic mail message or other form of Internet-based communication requesting not to receive future commercial electronic mail messages from Defendants at the electronic mail address where the message was received, and that remains capable of receiving such message or communications for no less than 30 days after the transmission of the original message.

121. Defendants' acts or practices, as described in Paragraph 120, violate Sections 5(a)(3)(A) and 5(a)(5)(A)(ii) of the CAN-SPAM Act, 15 U.S.C. §§ 7704(a)(3)(A), 7704(a)(5)(A)(ii).

Count VI

Failure to Include Valid Physical Postal Address

122. In numerous instances, as described in Paragraphs 47 through 55, Defendants have initiated the transmission, to protected computers, of commercial electronic mail messages that did not include the sender's valid physical postal address.

123. Defendants' acts or practices, as described in Paragraph 122, violate Section 5(a)(5)(A) of the CAN-SPAM Act, 15 U.S.C. § 7704(a)(5)(A)(iii).

CONSUMER INJURY

124. Consumers in the United States have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the CAN-SPAM 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

125. 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 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 Section 13(b) of the FTC Act, 15 U.S.C. §§ 53(b), and Section 7(a) of the CAN-SPAM Act, 15 U.S.C. § 770, and the Court's own equitable powers, requests that the Court:

A. Enter a permanent injunction to prevent future violations of the FTC Act and the CAN-SPAM Act by Defendants;

B. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the CAN-SPAM 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

C. 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,

DAVID C. SHONKA
Acting General Counsel

Dated: 12/26/17

Christopher E. Brown
Claire Wack
James Evans
Federal Trade Commission
600 Pennsylvania Ave., NW
Mailstop CC-8528
Washington, DC 20580
(202) 326-2825; cbrown3@ftc.gov
(202) 326-2836; cwack@ftc.gov
(202) 326-2026; jevans1@ftc.gov

Attorneys for Plaintiff
Federal Trade Commission