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CENTRAL DIST. OF CALIF.
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UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,

Plaintiff,

v.

8 Figure Dream Lifestyle LLC, a Wyoming limited liability company,

JL Net Bargains, Inc., a New York corporation,

Kappy Enterprises, LLC, a Colorado limited liability company,

Millionaire Mind Enterprises LLC, a Delaware limited liability company,

Filed Under Seal

SACV 19 - 01165 AG (KESx)

No. ___:19-CV-_____

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

OEA, LLC, also d/b/a Online Entrepreneur Academy, d/b/a 14 Day Champion Challenge, d/b/a 14 Day Challenge, an Arizona limited liability company,

Spirit Consulting Group, Inc., a Texas corporation,

John A. Bain, individually and as an officer, member, and/or manager of 8 Figure Dream Lifestyle, LLC,

Alex Dee, f/k/a Alex S. Dowlatshahi, individually and as an officer, member and/or manager of 8 Figure Dream Lifestyle LLC, Spirit Consulting Group, Inc., and OEA, LLC,

Brian M. Kaplan, individually and as an officer, member and/or manager of 8 Figure Dream Lifestyle LLC, Kappy Enterprises, LLC, Millionaire Mind Enterprises, LLC, and OEA, LLC,

Jerrold S. Maurer, a/k/a Jerry Maurer, individually and as an officer, member and/or manager of 8 Figure Dream Lifestyle LLC, JL Net Bargains, Inc., and OEA, LLC,

Defendants.

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

1. The FTC brings this action under Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b), 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing

Act"), 15 U.S.C. §§ 6101-6108, to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310, as amended.

SUMMARY OF THE CASE

2. Since at least January 2017, Defendants have used a combination of unlawful, pre-recorded telephone calls ("robocalls"), live telephone calls, text messaging, internet ads, emails, social media, and live events to market and sell fraudulent money-making opportunities to consumers under the names 8 Figure Dream Lifestyle or Online Entrepreneur Academy. Throughout their marketing, Defendants have consistently made false or unsubstantiated earnings claims.

3. The Defendants who have promoted the 8 Figure Dream Lifestyle scheme have claimed that typical consumers with no prior skills or experience will earn $5,000 to $10,000 in 10 to 14 days, and earn $10,000 or more on a consistent basis within 60-90 days of buying into the program. They have touted 8 Figure Dream Lifestyle as a "franchise-like" opportunity and told consumers that they need only follow Defendants' "proven business model" or "blueprint for success" to make money. These Defendants have made unlawful robocalls or caused others to do so in an attempt to attract new victims to the 8 Figure Dream Lifestyle program. In fact, the majority of the consumers who joined 8 Figure Dream Lifestyle—at a cost of $2,395 to $22,495—never earned substantial income, much less attained an "8 figure" lifestyle. They have lost their money, and many have incurred significant loans and credit card debt.

4. The marketing for the Online Entrepreneur Academy program—which Defendants Alex Dee, Brian M. Kaplan, and Jerrold S. Maurer launched in November 2018 when they announced that they had left the 8 Figure Dream

Lifestyle program—is no different. The Defendants who promote the program say that those who join it will make tens of thousands of dollars within 60 to 90 days. No substantiation exists for this and other similar claims used to pitch Online Entrepreneur Academy. In fact, an inconspicuous and purported disclaimer linked at the bottom of some websites contains this admission:

> While we're proud of our opportunity, it's important to understand that the vast majority of Members will not derive an income from [Online Entrepreneur Academy]. . . . Since [Online Entrepreneur Academy] has recently launched, it lacks enough statistical data to prepare reliable income disclosures. . . .

5. Defendants are causing, have caused, and will continue to cause substantial injury to consumers. Defendant Dee bragged in an early 2018 marketing video for 8 Figure Dream Lifestyle that he and Defendants Kaplan and Maurer had themselves received more than $6.5 million from over 500 consumers in less than two years, and further stated that the program as a whole had paid out "over $25 million in commissions" and had over 1,800 customers. When launching Online Entrepreneur Academy in November 2018, Defendant Dee claimed that 8 Figure Dream Lifestyle had paid out "close to $30 Million in commissions." Through the spring of 2019, Defendants have continued to profit from the 8 Figure Dream Lifestyle and Online Entrepreneur Academy schemes.

JURISDICTION AND VENUE

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

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

PLAINTIFF

8. 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 Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices.

9. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and the TSR and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b), 57b, 6102(c), and 6105(b).

DEFENDANTS

Corporate Defendants

10. Defendant 8 Figure Dream Lifestyle LLC ("8 Figure Dream Lifestyle") is a Wyoming limited liability company with its principal place of business at P.O. Box 3832, Cookeville, TN 38502. Defendant John A. Bain ("Bain") is a member and principal of 8 Figure Dream Lifestyle. Until late 2018, Defendants Alex Dee ("Dee"), Brian M. Kaplan ("Kaplan"), and Jerrold S. Maurer ("Maurer") were also senior principals of 8 Figure Dream Lifestyle and held themselves out to the public as its "founders." 8 Figure Dream Lifestyle 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, 8 Figure Dream Lifestyle has advertised, marketed, distributed, or sold fraudulent money-making opportunities to consumers throughout the United States.

11. Defendant JL Net Bargains, Inc. ("JL Net Bargains") is a New York corporation with its principal place of business at [redacted], North Bellmore, NY [redacted]. Defendant Maurer is the president and sole shareholder of JL Net Bargains. Maurer transacts or has transacted business through JL Net Bargains at all times material to this Complaint, and JL Net Bargains 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, JL Net Bargains has advertised, marketed, distributed, or sold fraudulent money-making opportunities to consumers throughout the United States.

12. Defendant Kappy Enterprises, LLC ("Kappy Enterprises") is a Colorado limited liability company with its principal place of business at [redacted], Fort Collins, CO [redacted]. Defendant Kaplan organized and is the sole member or a member of Kappy Enterprises. Defendant Kaplan transacts or has transacted business through Kappy Enterprises at all times material to this Complaint, and Kappy 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, Kappy Enterprises has advertised, marketed, distributed, or sold fraudulent money-making opportunities to consumers throughout the United States.

13. Defendant Millionaire Mind Enterprises LLC ("Millionaire Mind") is a Delaware limited liability company with its principal place of business at [redacted], Fort Collins, CO [redacted]. Defendant Kaplan is a member of Millionaire Mind and serves as its registered agent in Colorado. Kaplan transacts or has transacted business through Millionaire Mind at all times material to this Complaint, and Millionaire Mind 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, Millionaire Mind has advertised, marketed, distributed, or sold fraudulent money-making opportunities to consumers throughout the United States.

14. Defendant OEA LLC ("OEA"), also doing business as Online Entrepreneur Academy, 14 Day Champion Challenge, and 14 Day Challenge, is an Arizona limited liability company that has identified its place of business as 4400 N. Scottsdale Road, Suite 309, Scottsdale, AZ 85251. OEA was organized in

November 2018 with Defendants JL Net Bargains and Kappy Enterprises among its members. Amended OEA Articles of Organization filed in December 2018 identified Defendant Kaplan as the sole member, while another amended version filed in January 2019 omits any reference to Defendants Kaplan, JL Net Bargains, and Kappy Enterprises. OEA transacts or has transacted business in this District and throughout the United States. At times material to this Complaint, acting alone or in concert with others, OEA has advertised, marketed, distributed, or sold fraudulent money-making opportunities to consumers throughout the United States.

15. Defendant Spirit Consulting Group, Inc. ("Spirit Consulting") is a Texas corporation that was incorporated in June 2011 by Sean Dowlatshahi, possibly a relative of Defendant Dee, who was formerly known as Alex S. Dowlatshahi. The Texas Secretary of State placed Spirit Consulting's charter in forfeiture status in February 2014. Spirit Consulting's last-registered business address was [redacted], Wylie, TX [redacted]. Despite its status in forfeiture, Dee transacts or has transacted business through Spirit Consulting at all times material to this Complaint, and Spirit Consulting transacts or has transacted business in this District and throughout the United States. Spirit Consulting's principal place of business is [redacted], Laguna Hills, CA [redacted], which is an address associated with Dee. At all times material to this Complaint, acting alone or in concert with others, Spirit Consulting has advertised, marketed, distributed, or sold fraudulent money-making opportunities to consumers throughout the United States.

Individual Defendants

16. Defendant Bain is a Cookeville, Tennessee resident who formed the LLC for Defendant 8 Figure Dream Lifestyle in February 2017. He registered the website 8figuredreamlifestyle.us, licensed the "digital products" included with the 8 Figure Dream Lifestyle program, and handled key back-end administrative

responsibilities for operation of the program. On a December 2018 conference call, Bain said that he had been working on 8 Figure Dream Lifestyle "every day, since its inception," although his work was "mostly behind-the-scenes." During all times material to this Complaint, acting alone or in concert with others, Bain has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Defendant 8 Figure Dream Lifestyle set forth in this Complaint. Bain, in connection with the matters alleged herein regarding 8 Figure Dream Lifestyle, transacts or has transacted business in this District and throughout the United States.

17. Defendant Dee is a resident of Laguna Hills, California. In November 2018, he obtained a decree from the Superior Court of California, County of Orange, changing his legal name from Alex Sami Dowlatshahi to Alex Dee. Dee has held himself out to consumers as a founder and the "Visionary" for both 8 Figure Dream Lifestyle and Online Entrepreneur Academy. Dee has conducted 8 Figure Dream Lifestyle and Online Entrepreneur Academy business in his personal capacity and through Defendant Spirit Consulting. He has represented himself as having a "corporate" background and touted his experience as a "serial entrepreneur for 15 years" but has not disclosed to consumers that he is a recidivist. In 2011, the U.S. Securities and Exchange Commission alleged that Dee and companies he controlled were part of an $8.6 million Ponzi scheme. *See SEC v. Allen, et al.*, No. 3:11-CV-882-O (N.D. Tex.). A federal district court enjoined Dee and his companies from violating the Securities Act of 1933 and the Securities Exchange Act of 1934 and ordered them to pay more than $800,000 in disgorgement, civil penalties, and prejudgment interest. *Id.*, ECF No. 252. In 2006, the State of California Business, Transportation, and Housing Agency found that Dee and others illegally offered securities for a purported gold mining operation while making material misrepresentations, including that the operation could take 1,000 tons of ore a day from the primary mine site when the operation

did not have legal permission to mine at all. *In re Desist and Refrain Order Issued To: Owen, et al.*, OAH No. N2006120566 (June 27, 2006). During all times material to this Complaint, acting alone or in concert with others, Dee has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Dee 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.

18. Defendant Kaplan is a resident of Fort Collins, Colorado. Kaplan has held himself out to consumers as a founder of 8 Figure Dream Lifestyle who made a fortune developing and using the scheme's "blueprint" and now wants to help others because he is, he says, "in give back mode." He has also held himself out to consumers as a founder of Online Entrepreneur Academy. Kaplan has conducted 8 Figure Dream Lifestyle and Online Entrepreneur Academy business in his personal capacity and through Defendants Millionaire Mind and Kappy Enterprises. During all times material to this Complaint, acting alone or in concert with others, Kaplan has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Kaplan, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

19. Defendant Maurer, also known as Jerry Maurer, is a North Bellmore, New York resident. Maurer has held himself out to consumers as a founder of 8 Figure Dream Lifestyle who tried many different multi-level-marketing programs and online businesses but did not achieve real success until he, Dee, Kaplan, and Bain developed the 8 Figure Dream Lifestyle blueprint. He has also held himself out to consumers as a founder of Online Entrepreneur Academy. Maurer has conducted 8 Figure Dream Lifestyle and Online Entrepreneur Academy business in his personal capacity and through Defendant JL Net Bargains. During all times material to this Complaint, acting alone or in concert with others, Maurer has

formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Maurer, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

COMMON ENTERPRISE

20. From no later than January 2017 through at least November 2018, Defendants 8 Figure Dream Lifestyle, JL Net Bargains, Kappy Enterprises, Millionaire Mind, and Spirit Consulting (collectively, the "8 Figure Dream Lifestyle Corporate Defendants") operated as a common enterprise while engaging in the deceptive acts or practices and other violations of law alleged below. The 8 Figure Dream Lifestyle Corporate Defendants concerted and coordinated to design, organize, manage, market, sell, and derive revenue and profit from the 8 Figure Dream Lifestyle scheme. This concerted and coordinated action was reflected in the unified management and marketing of 8 Figure Dream Lifestyle, including the tracking and accounting of sales across membership groups, the regular transfer of revenue among the common enterprise members, the sourcing of 8 Figure Dream Lifestyle's digital products, the negotiation of vendor contracts to support robocalling and other aspects of the operation, and the creation and hosting of sales webinars, purported training webinars, marketing videos, and live members-only networking and marketing retreats in Colorado, Miami, San Diego, and San Francisco. In these and other activities, the 8 Figure Dream Lifestyle Corporate Defendants operated an interrelated network of companies that pursued and benefited from a shared business scheme marked by interdependent economic interests. Because the 8 Figure Dream Lifestyle Corporate Defendants operated as a common enterprise, each of them is jointly and severally liable for the acts and practices of the common enterprise alleged below. Defendants Dee, Kaplan, Maurer, and Bain (collectively, the "8 Figure Dream Lifestyle Individual Defendants") formulated, directed, controlled, had the authority to control, or

participated in the acts and practices of the 8 Figure Dream Lifestyle Corporate Defendants that constituted the common enterprise. The 8 Figure Dream Lifestyle Corporate and Individual Defendants are referred to jointly as the "8 Figure Dream Lifestyle Defendants."

21. Defendants OEA, JL Net Bargains, Kappy Enterprises, Millionaire Mind, and Spirit Consulting (collectively, the "Online Entrepreneur Academy Corporate Defendants") have operated as a common enterprise while engaging in the deceptive acts and practices and other violations of law alleged below. The Online Entrepreneur Academy Corporate Defendants have concerted and coordinated to design, organize, manage, market, sell, and derive revenue and profit from the Online Entrepreneur Academy scheme, and have benefited from a shared business scheme marked by interdependent economic interests and pooled resources. This concerted and coordinated action is reflected in the transfer of revenue among the common enterprise members, the creation and use of common marketing materials, the registration of domain names and the purchase of privacy protection for those names, and the sharing of one or more merchant accounts to accept credit card payments from consumers. Additionally, some members of this common enterprise were identified as past owners of OEA in the records of the Arizona Corporation Commission. *See* Paragraph 14. Because these Online Entrepreneur Academy Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices of the common enterprise alleged below. Defendants Dee, Kaplan, and Maurer (collectively, the "Online Entrepreneur Academy Individual Defendants") have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Online Entrepreneur Academy Corporate Defendants that constitute the common enterprise. The Online Entrepreneur Corporate and Individual Defendants are referred to jointly as the "Online Entrepreneur Academy Defendants."

COMMERCE

22. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' BUSINESS ACTIVITIES

Overview of the 8 Figure Dream Lifestyle Scheme

23. The hallmark of the 8 Figure Dream Lifestyle scheme has been false or unsubstantiated earnings claims—claims that consumers with no prior skills or experience will earn thousands or tens of thousands of dollars starting within a few short weeks by selling the program to other consumers like themselves and receiving substantial "commissions" on those sales. The name of the scheme itself raises the same empty promise, evoking the lifestyle a consumer would enjoy after earning more than ten million dollars.

24. The 8 Figure Dream Lifestyle Defendants have used numerous marketing methods to promote their program to consumers, including robocalls. They have expanded their marketing reach by having consumers who have purchased memberships in the scheme, known as "members," engage in marketing. To that end, the 8 Figure Dream Lifestyle Defendants have provided their members with sales scripts and templates full of false or unsubstantiated earnings claims and given them access to a voice broadcasting platform for robocalling. Members have used these tools to grow 8 Figure Dream Lifestyle's membership.

25. The 8 Figure Dream Lifestyle Defendants have charged consumers membership fees ranging from $2,000 to $21,000 to join their program. They have pressured consumers to buy into the program at the highest membership levels with the promise that hefty sales commission will follow. And they have encouraged consumers to incur substantial loans and credit card debt to purchase these memberships.

26. Additionally, consumers have needed to draw on credit and loans to pay 8 Figure Dream Lifestyle's administrative fees (ranging from $395 to $1,495) and to purchase an array of add-on products and services that the 8 Figure Dream Lifestyle Defendants have characterized as necessary parts of 8 Figure Dream Lifestyle's "proven business model" or "blueprint for success," including telephone dialing, texting, and email services.

27. Behind the scenes, the 8 Figure Dream Lifestyle Defendants have received ill-gotten gains directly from members and from members' purchases of add-on products and services. While the 8 Figure Dream Lifestyle Defendants have profited at every step, the majority of the consumers who purchased 8 Figure Dream Lifestyle memberships never earned substantial income, much less attained an "8 Figure" lifestyle.

8 Figure Dream Lifestyle's False Earnings Claims

28. The 8 Figure Dream Lifestyle Defendants have used false or unsubstantiated earnings claims to entice consumers to spend thousands of dollars to become 8 Figure Dream Lifestyle members. They have widely disseminated such earnings claims to consumers through robocalls, live telephone calls, text messages, emails, prerecorded audio messages, webinars, sales videos, internet ads, social media, and live events. And they have enlisted and instructed new members to disseminate the very same earnings claims through the same marketing channels to reach even more consumers.

29. The 8 Figure Dream Lifestyle Defendants typically have made their first contact with consumers through robocalls, emails, or text messages. Follow-up contacts have also been initiated through these channels as well as live telephone calls.

30. The 8 Figure Dream Lifestyle Defendants' initial marketing to consumers has been replete with false or unsubstantiated claims about the substantial amounts of money that consumers should expect to earn, often

buttressed by claims about how quickly they will earn those amounts after purchasing 8 Figure Dream Lifestyle memberships. The scripts and templates the 8 Figure Dream Lifestyle Defendants have provided to members, and members have used to sell program memberships, are filled with the same false or unsubstantiated earnings claims.

31. Examples of these claims include:

a. Screen capture from email sent by Defendant Dee about what consumers would supposedly learn in an 8 Figure Dream Lifestyle webinar:

- **The #1 reason why 85% of our members say they've been successful and love our business! (and why other systems FAIL!)**
- **EXACTLY what most members are doing to generate five figures CONSISTENTLY within 60-90 days, starting with only 15-20 hours a week, while planning their make money online business around their current schedules!**

b. Screen capture from email sent by Defendant Dee to consumers answering "most commonly asked questions" about 8 Figure Dream Lifestyle:

That said, this is not a pie in the sky program!

It's a real online business! Most of our members are able to generate five figures online within 60-90 days and that's what you should expect.

c. Screen capture from template for text messages that the 8 Figure Dream Lifestyle Defendants provided to members:

<Prospect Name>, just left you a VM! You requested information on how to generate $5,000-$10,000 every 10 to 14 days! Watch this short video on how we generated $931,000 in The last nine months in our automated "franchise like" business!
Http://www.heresproofvideo.com

PLEASE NOTE: OUR ORGANIZATION PROVIDES FUNDING!!!

We have a free webinar tomorrow showing you how you can make $13,000 in next 45 days! You can RSVP in the morning or afternoon for tomorrow! Which one is better for you?

d. Another screen capture from template for text messages that the 8 Figure Dream Lifestyle Defendants provided to members:

Are you ready to consider generating a 6-figure income this year? Respond back so we can schedule a brief call to see if this would be a good fit for you.

Hi #First Name#. You responded to my ad and left your contact info regarding my business. Are you still looking at income opportunities?

Serious opportunity to create 5-figures+ income online in the next 60-90 days. Let me coach you to success. Details here: [YOUR 8FDL FUNNEL WEB SITE]

Discover what we do every day to earn 6-figures, and we can mentor you to do it, too: http://8fdlscreenshare.com - text me back when you finish watching.

e. Excerpt from audio recording by Defendant Dee regarding the 8 Figure Dream Lifestyle program:

"Most of our members are averaging between $5-$10,000 in 10 to 14 days."

f. Another excerpt from audio recording by Defendant Dee regarding the 8 Figure Dream Lifestyle program:

This means that if you simply plug into what we teach and how we show you the market, for you, it literally becomes nothing more than a numbers game. It's that simple. Next, you'll have a system that will call those leads to find people interested in our opportunity. This system can call thousands of people each week, and it will consistently find two to three buyers for you per week that will put anywhere from $2,000 to $22,000 in your pocket each time.

Next, your system includes a state-of-the-art website where your interested buyers will go and watch a video presentation that will give them all the facts they need to make a relaxed and intelligent decision to join you, and that same website will track your business prospects' sales for you. Folks, we have designed this system so that 90 percent of the work is done for you. It's a finely tuned, time-tested system, and all you need to do is plug into it. In fact, our numbers show that for every 20 people who go through your system, on average, one will buy. And I'll say it again, each of those sales pay you anywhere from $2,000 to $22,000.

g. Screen capture from scripts for live-call follow-ups that the 8 Figure Dream Lifestyle Defendants provided to members to use to register consumer prospects to view webinars:

Now FIRST NAME... By attending the on-demand presentation you're going to find out:

1. **HOW TO MAKE five to $10K every 10-14 days,**
2. **How to get started and make $10k in your first 30 days, and**
3. **How to do it all in LESS THAN 10 HOURS A WEEK part time and fire your boss in 90 days!**

32. The 8 Figure Dream Lifestyle Defendants' marketing materials have driven consumers to a set of webinars that usually featured Defendants Dee, Kaplan, and Maurer on webcams presenting PowerPoint slides. Interspersed within some of these webinars were video testimonials from members who talked about how they had made life changing money from 8 Figure Dream Lifestyle.

33. These webinars have been a key component of the 8 Figure Dream Lifestyle Defendants' sales process. The 8 Figure Dream Lifestyle Defendants have instructed members not to attempt to close a sale until after the consumer has viewed one of these webinars.

34. While the 8 Figure Dream Lifestyle Defendants created a few versions of the webinars, each repeated and reinforced the claim that consumers would earn

substantial amounts of money to induce consumers to purchase 8 Figure Dream Lifestyle memberships.

35. The following are example screen captures of earnings claims the 8 Figure Dream Lifestyle Defendants made during the webinars:

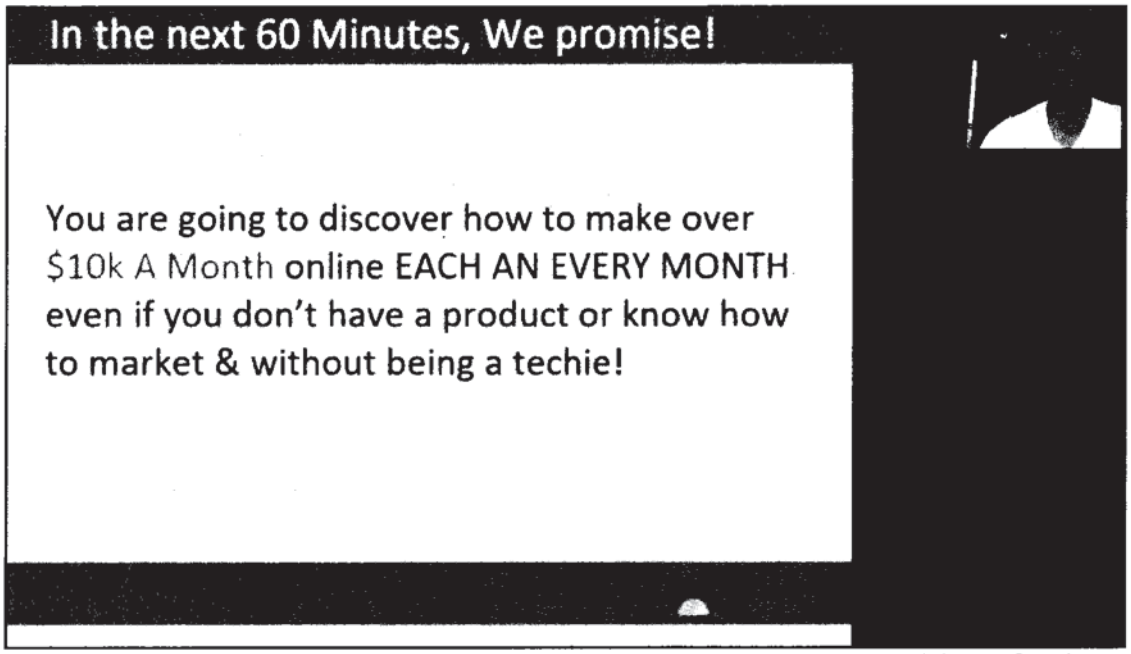


Figure 1: Screen capture of 8 Figure Dream Lifestyle webinar with Defendant Dee on webcam. Attached as Ex. 1.

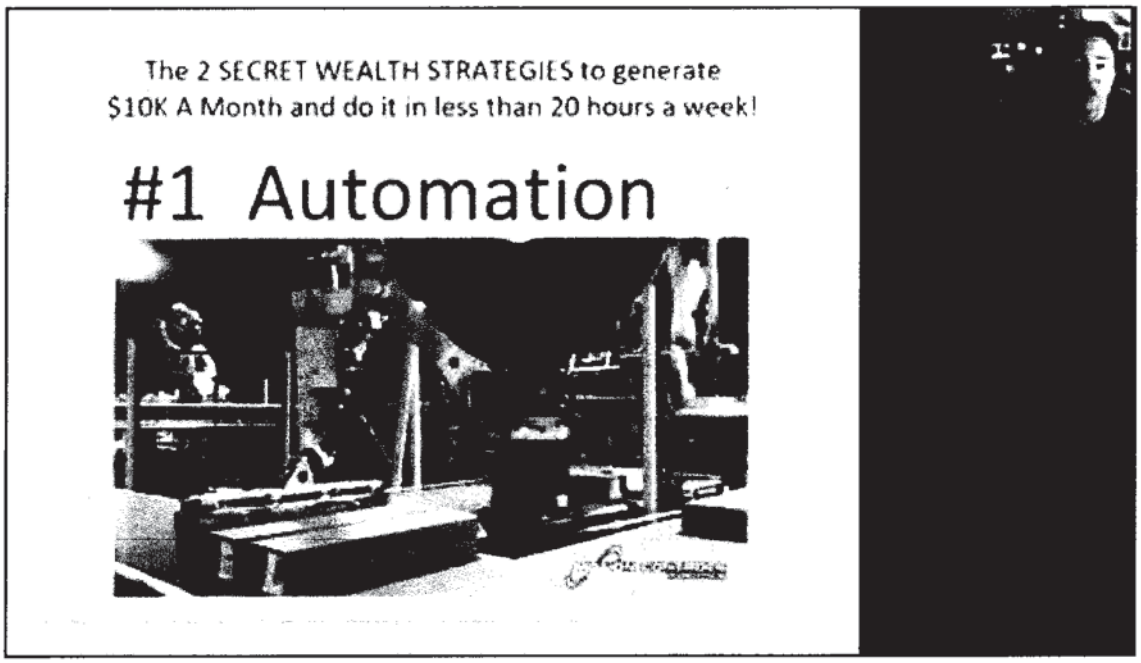


Figure 2: Screen capture of 8 Figure Dream Lifestyle webinar with Defendant Kaplan on webcam. Attached as Ex. 2.

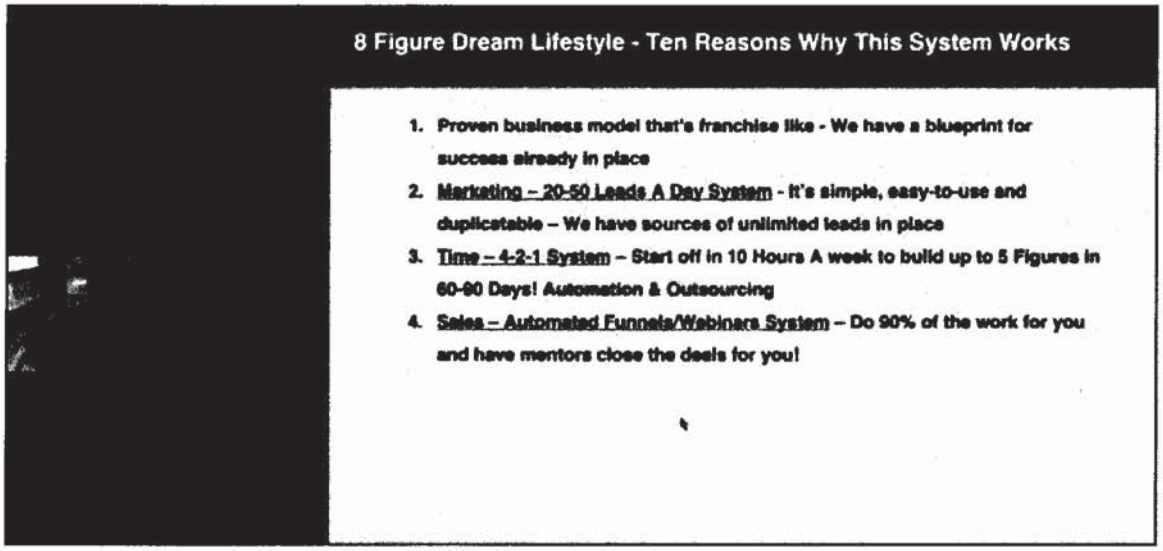


Figure 3: Screen capture of 8 Figure Dream Lifestyle webinar with Defendant Maurer on webcam. Attached as Ex. 3.

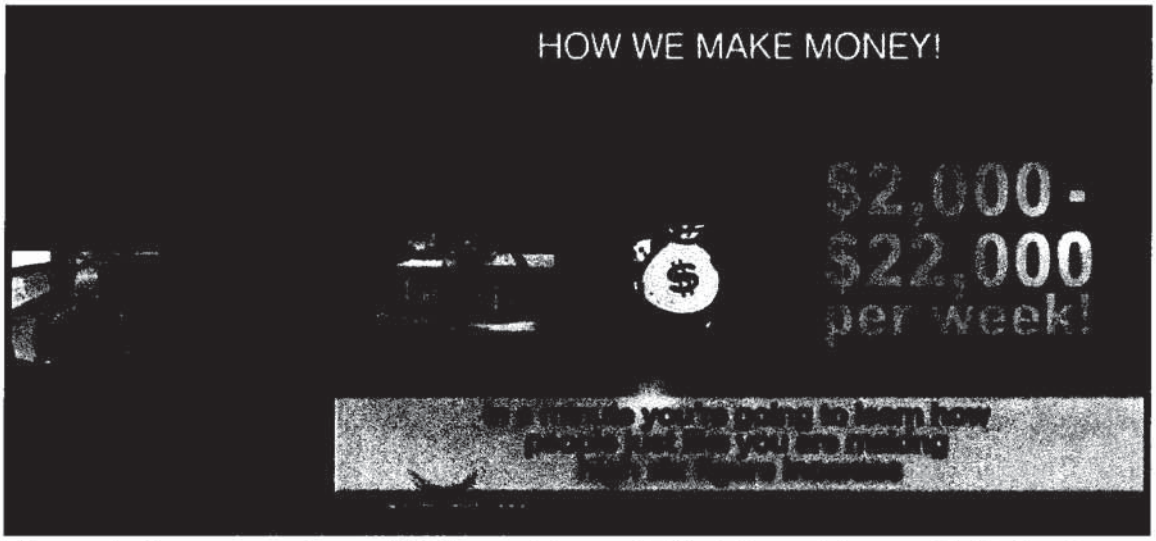


Figure 4: Screen capture of 8 Figure Dream Lifestyle webinar with Defendant Maurer on webcam. Attached as Ex. 4.



Figure 5: Screen capture of the 8 Figure Dream Lifestyle webinar depicted in Figures 3-4, hosted byDefendant Maurer. Attached as Ex. 5.

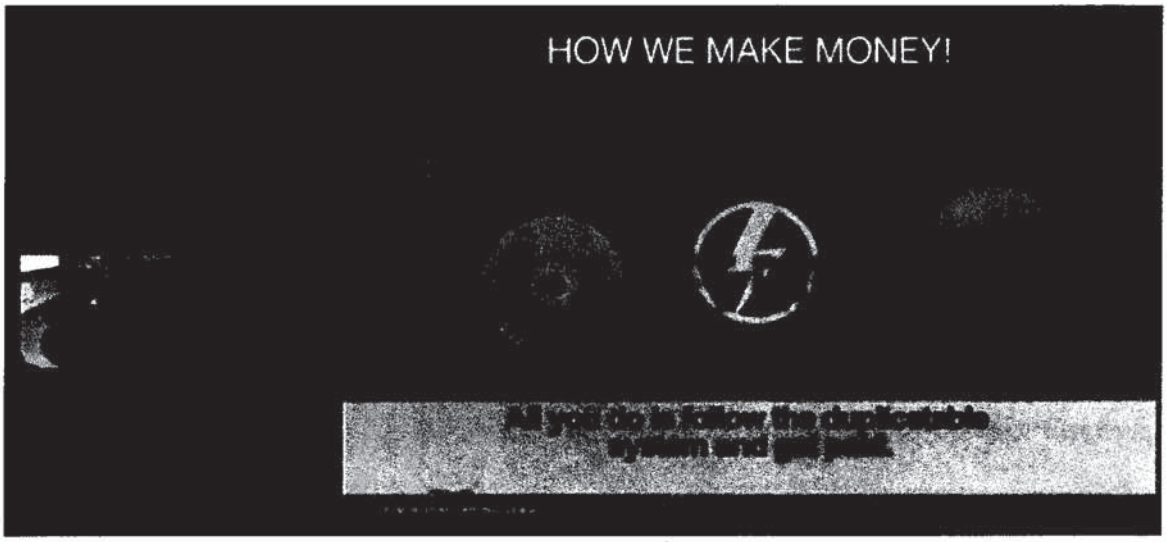


Figure 6: Screen capture of the 8 Figure Dream Lifestyle webinar depicted in Figures 3-5, hosted by Defendant Maurer. Attached as Ex. 6.

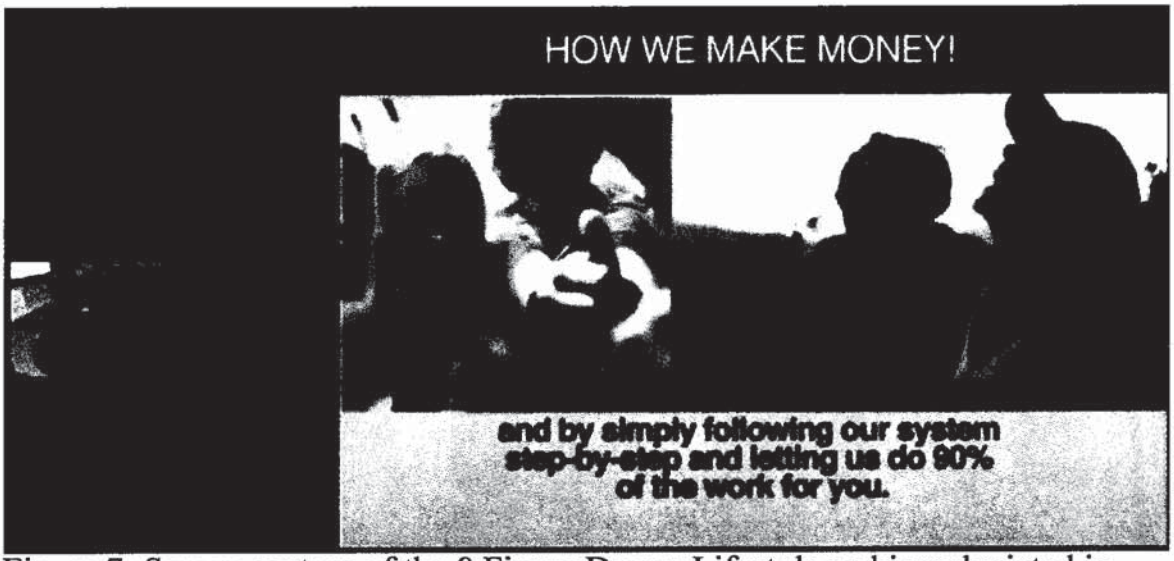


Figure 7: Screen capture of the 8 Figure Dream Lifestyle webinar depicted in Figures 3-6, hosted by Defendant Maurer. Attached as Ex. 7.

36. The 8 Figure Dream Lifestyle Defendants' statements reinforced the earnings claims displayed on consumers' screens during the webinars. For example, during a webinar, Defendant Dee said:

> [W]e have a proven business model. It's franchise-like. What does that mean? Just like McDonald's, they give you the blueprint and the strategy. As long as you follow it, you're going to get the same results we have and hundreds of our members have had. You're going to be able to do it. The blueprint for success is already in place. All you're doing is duplicating, following exactly the same model that we've done, okay?

37. The earnings claims the 8 Figure Dream Lifestyle Defendants made in these webinars were false or unsubstantiated. In fact, the majority of consumers who purchased 8 Figure Dream Lifestyle memberships have not earned substantial amounts of money.

Marketing Targeted to Older Consumers

38. The 8 Figure Dream Lifestyle Defendants have marketed their scheme broadly, but they have also directly targeted older consumers who may need extra money for living expenses or retirement.

39. During one webinar, Defendant Maurer claimed 8 Figure Dream Lifestyle memberships were especially "good" for "retirees" because through the memberships they could "[m]ake sure those golden years are actually 'Golden'!":

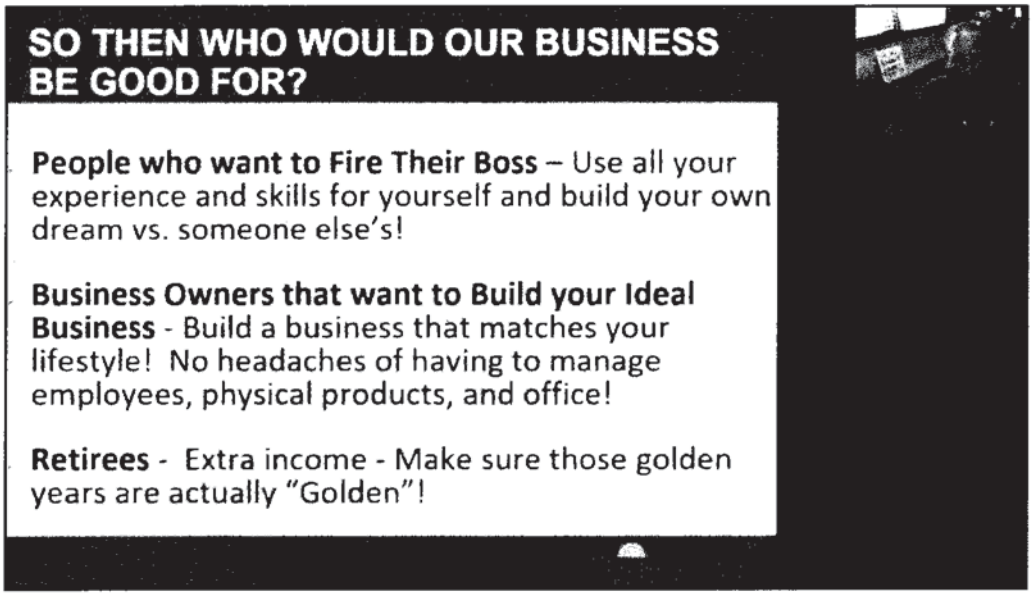


Figure 8: Screen capture of 8 Figure Dream Lifestyle webinar with Defendant Maurer on webcam. Attached as Ex. 8.

40. Also during a webinar, Defendant Maurer claimed that a 72-year-old member made $44,000 in her first seven weeks even though she had no prior marketing skills.

41. Similarly, one of the template text messages that the 8 Figure Dream Lifestyle Defendants have provided to members for use with consumers claims that a 69-year-old retiree had "already made $21,500 in his first 45 days with us using our unlimited lead sources and simple automated system" and that a webinar will explain how he did it.

Inconspicuous and Ineffectual Earnings Disclaimers

42. Occasionally the 8 Figure Dream Lifestyle Defendants have made purported disclaimers, stating, for example, that results they have touted as typical were not in fact typical or that five figure earnings were not guaranteed.

43. During one webinar, Defendant Maurer stated that his personal experience—making millions—was not typical. Yet, during the very same webinar, Maurer claimed that the "number one proof" of the 8 Figure Dream Lifestyle system's success was his own story. This is a rare instance in which any sort of disclaimer was present in an 8 Figure Dream Lifestyle webinar.

44. More generally, and in most cases, the 8 Figure Dream Lifestyle Defendants have made their earnings claims in marketing materials where disclaimers were non-existent or buried. The 8 Figure Dream Lifestyle Defendants have included inconspicuous links to "Terms of Service" and an "Earnings Disclaimer" in small type at the bottom of some websites related to the scheme. The Terms of Service link has also appeared when consumers clicked a box to receive marketing emails as pictured below (red emphasis notations added):

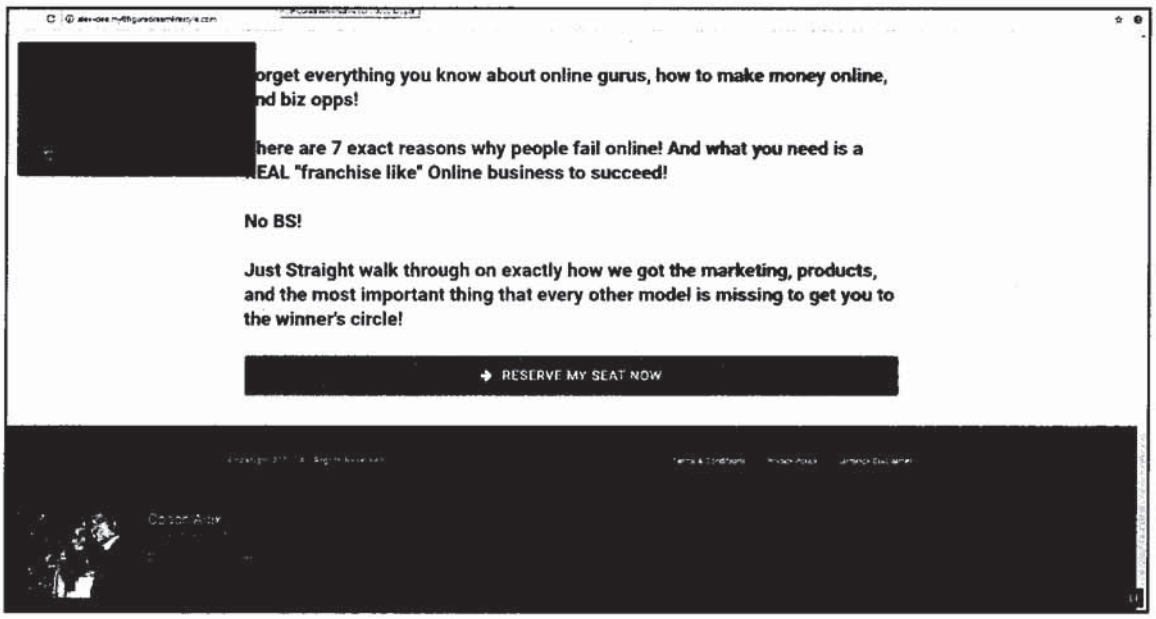


Figure 9: Screen capture from alex-dee.my8figuredreamlifestyle.com. Attached as Ex. 9.

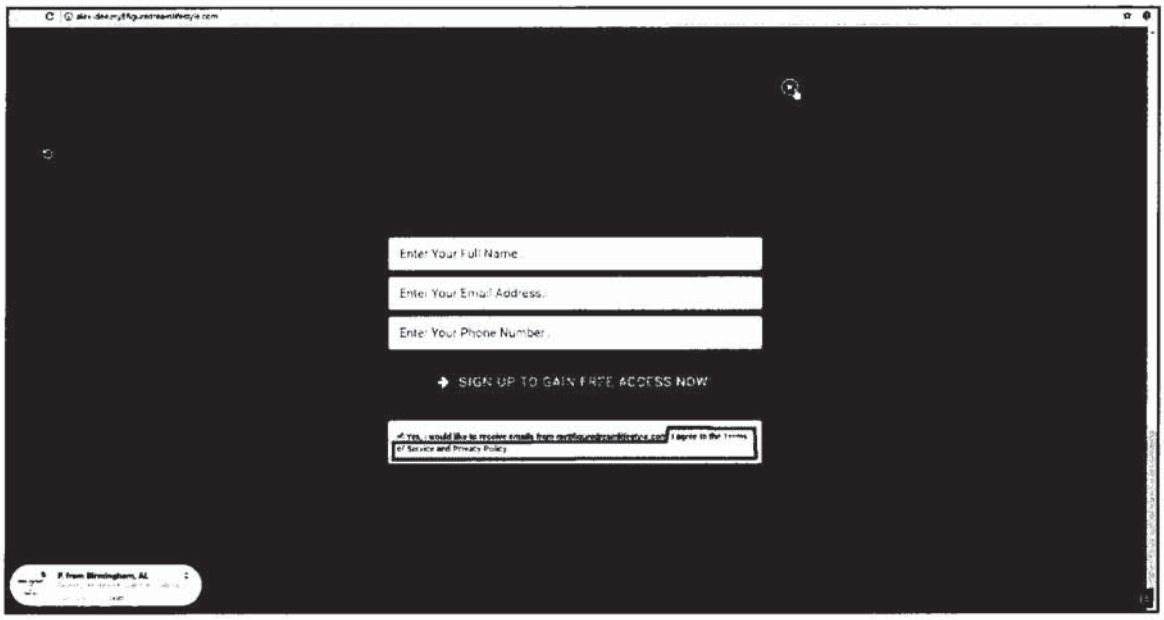


Figure 10: Screen capture from alex-dee.my8figuredreamlifestyle.com. Attached as Ex. 10.

45. In the example directly above, the 8 Figure Dream Lifestyle website emphasized the claim that ordinary consumers could learn to "mak[e] extraordinary income" despite having "no money, no product, no marketing skills" and no "technical" skills.

46. The Terms of Service and Earnings Disclaimer documents contain overlapping and very similar earnings disclaimers. Below is a screenshot of the purported disclaimer paragraph from the Terms of Service document:

> 2. NO INCOME GUARANTEES. You agree and warrant to us that you have not been lead to believe (by any express statement or in an implied manner) that you will make a significant amount of money, any specific amount of money, accomplish specific financial goals, or that you will make more money than your purchase price. Neither 8 Figure Dream Lifestyle's representatives, nor its marketing materials have made any such representations at any time. You understand that we cannot guarantee any level of income. Your success depends entirely upon your own efforts, diligence, competency and on uncontrollable market factors. You have investigated the services and applicable law and you certify that the same do not constitute an "assisted marketing plan," "seller assisted marketing plan," "franchise," "investment" or "business opportunity." You agree that none of our training is a tax, insurance, lending, investment, or legal advice. You have consulted with your own legal counsel about these matters, or have at least had the opportunity to do so yet chose not to. You agree that 8 Figure Dream Lifestyle is not intending to help you start a "new business." You understand that 8 Figure Dream Lifestyle is not willing to provide services to individuals who have been lead to believe they will earn significant sums of money or who otherwise cannot provide the warranties above with full confidence. If any of my above warranties above turn out to be untrue, or if you otherwise breach this agreement in any way, you agree to completely indemnify, defend and hold harmless 8 Figure Dream Lifestyle, and all of its owners, managers, employees, agents, vendors, licensees, and contractors, from and against any claim, demand, suit, investigation, fine, citation, judgment, cost, harm or expense, including also by paying the indemnified party's fines, court costs and reasonable attorney fees.

47. As illustrated by the allegations throughout this Complaint, the Terms of Service have been in conflict with the marketing materials. The types of earnings representations outlined and purportedly disclaimed in this document (including that members would "make a significant amount of money" and "make more money than [their] purchase price") are precisely the types of representations that have been central to the 8 Figure Dream Lifestyle Defendants' marketing.

Structure of the Scheme and Onboarding Process for New Members

48. Consumers interested in purchasing memberships have learned that Defendants Bain, Dee, Kaplan, and Maurer created a five-tiered membership structure for the 8 Figure Dream Lifestyle scheme. The lowest level membership cost has been $2,000 plus an administrative fee of $395, while the highest level membership cost has been $21,000 plus an administrative fee of $1,495. The costs associated with the five membership levels are depicted in the table below taken from 8 Figure Dream Lifestyle marketing materials:

	BASIC	BUILDER	ADVANCED	PRO	VIP
8FDL Membership/Licensing Fee	$2,000	$3500	$6000	$12,000	$21,000
Admin Fee	$395	$495	$895	$945	$1495

49. The principal difference among the membership levels has been that they affect the "commission" amounts that members are eligible to receive if they sell memberships. Members have not been eligible to receive "commissions" greater than their purchase price. For example, members that purchased $12,000 memberships could not receive in excess of $12,000 on a membership sale (even for the sale of a $21,000 membership).

50. The 8 Figure Dream Lifestyle Defendants have pressured consumers to purchase memberships at the highest possible levels. They have communicated that consumers will miss out if they join at lower levels because they will forfeit commission amounts above their membership purchase price, and they have represented that 80% of new members buy in at the $6,000 or $12,000 levels. The 8 Figure Dream Lifestyle Defendants have encouraged prospective members to use 8 Figure Dream Lifestyle's "Other People's Money System" and apply for loans or credit to fund higher-level membership purchases. Indeed, the 8 Figure Dream Lifestyle Defendants have claimed that "80% of [their] members get started" by borrowing money.

51. New members have typically paid their membership fees to the 8 Figure Dream Lifestyle member who closes the sale. Membership fees have been frequently paid by cashier's check, though payments have also been made via credit card, wire transfer, and other payment methods.

52. On top of their membership fees, new members have also paid an administrative fee ranging from $395 to $1,495, as noted above. Typically, these administrative fees have been paid directly to Defendant 8 Figure Dream Lifestyle

or Defendant Bain. Bain shared administrative fees with Defendants Dee (through Defendant Spirit Consulting), Kaplan (through Defendant Millionaire Mind), and Maurer (through Defendant JL Net Bargains) prior to those Defendants announcing on or about November 2018 that they had left the 8 Figure Dream Lifestyle program.

53. New members who have joined the 8 Figure Dream Lifestyle program have been instructed to undergo an "onboarding" process designed by Defendants Bain, Dee, Kaplan, and Maurer.

54. The onboarding process has included having the new members register with a number of service providers, including: (1) a dialing service that specializes in making hundreds or thousands of robocalls simultaneously (voice broadcasting), (2) a text messaging service, (3) a provider of 1-800 toll-free phone numbers, (4) an email messaging service, (5) a website registration service, and (6) a marketing platform. Members have had to pay each of these providers for their services and tools, which they have been able to access through a members-only 8 Figure Dream Lifestyle website called the "back office" or "dashboard."

55. The back office area of the 8 Figure Dream Lifestyle website has also contained the marketing scripts and templates developed by and with the approval of the 8 Figure Dream Lifestyle Defendants. Use of these marketing scripts and templates by members has been part of the "proven business model" or "blueprint" of the 8 Figure Dream Lifestyle scheme.

56. The 8 Figure Dream Lifestyle Defendants have provided these scripts and templates so that members stay on message and know what to say when they make contact with consumers.

57. The focus of the 8 Figure Dream Lifestyle Defendants' scheme has been for new members to receive large commission payments by selling 8 Figure Dream Lifestyle memberships to other consumers. In addition, new members have received access and "licenses" to "digital products" of various types. As

Defendants Dee and Maurer have themselves acknowledged (*see infra*, Paragraphs 98-101), the inclusion of these digital products has been incidental to the scheme, and recently the products have been unavailable to members. The actual "product" the 8 Figure Dream Lifestyle Defendants have sold to consumers is the opportunity to market 8 Figure Dream Lifestyle memberships to other consumers and, in theory, receive substantial commissions.

The 8 Figure Dream Lifestyle Defendants' Use of Robocalls in Violation of the TSR

58. The 8 Figure Dream Lifestyle Defendants have relied on blasting illegal robocalls as their preferred marketing tool to reach consumers and have bolstered their sales by having their members blast such calls to millions of consumers.

59. Under the TSR, robocalls are telephone calls that deliver a prerecorded message to induce the purchase of any good or service, and they are unlawful with limited exceptions. 16 C.F.R. § 310.4(b)(1)(v).

60. The 8 Figure Dream Lifestyle Defendants have instructed their members to: (1) contact 8 Figure Dream Lifestyle's preferred dialer service, (2) set up a voice broadcast account used to deliver robocalls to hundreds or thousands of telephones simultaneously, (3) purchase a voice broadcast package, (4) watch "how to" videos on the dialer service's website, (5) complete a training session with one of the dialer service's certified trainers, and (6) certify that the member "know[s] how to run a . . . Voice Broadcast Campaign." The 8 Figure Dream Lifestyle Defendants have instructed members to click "complete" buttons on the company's back office website to confirm that they have completed these steps.

61. The 8 Figure Dream Lifestyle Defendants have strongly encouraged members to purchase thousands of sales leads from preferred sources for voice broadcast robocalling and text message marketing. They have represented these leads to be the best and most reliable sources for membership sales and therefore

lucrative commissions. And they have provided instruction and encouragement to members regarding loading the leads into the 8 Figure Dream Lifestyle program's preferred dialer service and text messaging platform. In a number of instances, the 8 Figure Dream Lifestyle Defendants or their agents have uploaded leads—purchased by themselves or by members—into the preferred dialer service on behalf of members.

62. In an audio recording of Defendant Dee's voice that has played for consumers who tried to reach him by phone, Dee stated: "[Y]ou'll have a system that will call those leads to find people interested in our opportunity. This system can call thousands of people each week, and it will consistently find two to three buyers for you per week that will put anywhere from $2,000 to $22,000 in your pocket each time." (Emphases added.)

63. To further facilitate robocalling, the 8 Figure Dream Lifestyle Defendants have provided members with substantial assistance and support in the form of, among other things, prerecorded audio messages (including messages featuring the voice of an 8 Figure Dream Lifestyle principal), scripts, and templates that can be used for robocalls.

64. At least four suits have alleged various claims under the Telephone Consumer Protection Act, 47 U.S.C. § 227, against one or more of the 8 Figure Dream Lifestyle Defendants. *See Moore v. 8 Figure Dream Lifestyle LLC, et al.*, No. 1:18-CV-2474 (N.D. Ill.); *Ewing v. 8 Figure Dream Lifestyle LLC, et al.*, No. 3:18-CV-1063-AJB-AGS (S.D. Cal.); *Alves v. 8 Figure Dream Lifestyle LLC*, No. 2:17-CV-7970-MWF-GJS (C.D. Cal.); *Perrong v. Smith, et al.*, 2:17-CV-3366-TJS (E.D. Pa.).

65. The *Moore* plaintiff specifically alleged that Defendants 8 Figure Dream Lifestyle, JL Net Bargains, Spirit Consulting, Dee, Kaplan, and Maurer were liable under the TCPA for illegal robocalls. *See* No. 1:18-CV-2474, ECF No. 1, at ¶ 56 (alleging that "placing prerecorded telemarketing calls" was a marketing

strategy for these Defendants). On notice of these serious allegations and seemingly unphased, the 8 Figure Dream Lifestyle Defendants continued to blast and/or have members blast robocalls after the initiation and settlement of *Moore*.

66. Additionally, the Terms of Service document the 8 Figure Dream Lifestyle Defendants have posted on their website included a provision titled "TELEMARKETING" that states that members who used "prerecorded message marketing" were responsible for "fully comply[ing] with all laws and regulations, including . . . [the] FTC's Telemarketing Sales Rule."

The Creation of Online Entrepreneur Academy and the Relaunch of 8 Figure Dream Lifestyle

67. Beginning in August 2018, Defendant Dee, through Defendant Millionaire Mind, registered domain names now used for the Online Entrepreneur Academy scheme. That same month Defendant Dee, through Defendant Spirit Consulting, purchased domain privacy services for domain names now used for Online Entrepreneur Academy.

68. On or about November 2018, Defendants Dee, Kaplan, and Maurer publicly abandoned the 8 Figure Dream Lifestyle scheme to launch a new fraudulent money-making opportunity called Online Entrepreneur Academy.

69. On or about December 6, 2018, Defendant Bain and others still then associated with the 8 Figure Dream Lifestyle scheme held a conference call. The purpose of the call was to reassure existing 8 Figure Dream Lifestyle members that Defendant Bain and Defendant 8 Figure Dream Lifestyle would continue without Defendants Dee, Kaplan, and Maurer. In fact, Bain and the other presenters said they were working to relaunch an enhanced version of the 8 Figure Dream Lifestyle program.

70. Defendants Dee, Kaplan, and Maurer stated in a December 2018 webinar that existing 8 Figure Dream Lifestyle members would retain access to their 8 Figure Dream Lifestyle customer-relations management tools and digital

products. They said that 8 Figure Dream Lifestyle members who had questions about the 8 Figure Dream Lifestyle program should contact Defendant Bain.

71. In April 2019, Defendant Bain sent 8 Figure Dream Lifestyle members an email with the subject line "8FDL Update…It's Almost Time." Bain stated that enhancements to 8 Figure Dream Lifestyle were "very close to launching."

72. The Online Entrepreneur Academy Defendants have tried to convince as many 8 Figure Dream Lifestyle members as possible to join the Online Entrepreneur Academy scheme. They have offered them incentives, including reduced price and free Online Entrepreneur Academy products.

The Online Entrepreneur Academy Scheme and Its False Earnings Claims

73. The first product related to the Online Entrepreneur Academy scheme is the 14 Day Champion Challenge or 14 Day Challenge, which is a multi-part online course that these Defendants claim has monetary and educational value.

74. The Online Entrepreneur Academy Defendants intend for the 14 Day Champion Challenge, which costs nearly $100, to get new consumers through the door cheaply and onto a path to purchase upsell products that quickly become expensive.

75. Below is a screen capture from an Online Entrepreneur Academy webinar hosted by Defendant Dee. It shows that the 14 Day Champion Challenge is just the first of the planned Online Entrepreneur Academy offerings. Some of the upsell products cost as much as $15,000.

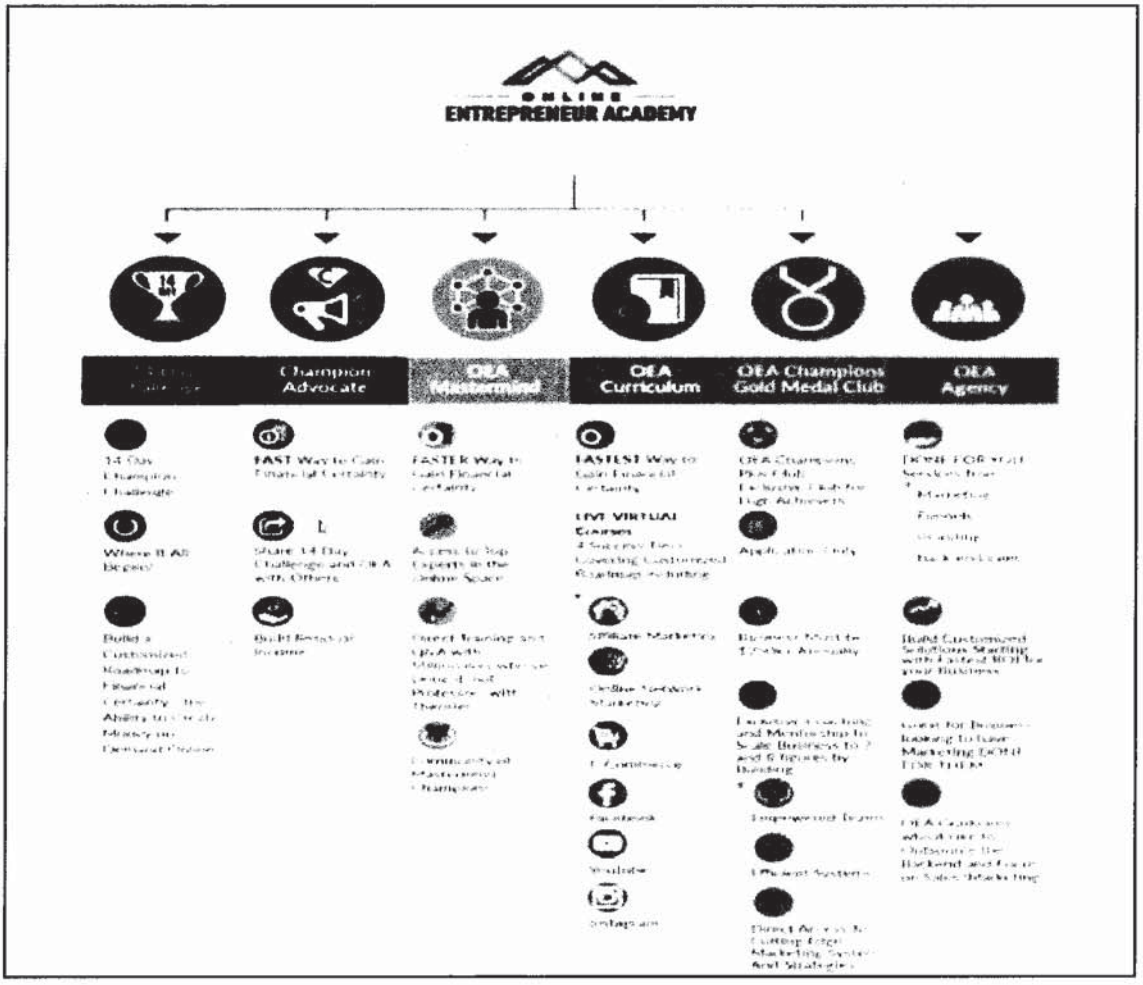


Figure 11: Screen capture from Online Entrepreneur Academy webinar. Attached as Ex. 11.

76. The Online Entrepreneur Academy Defendants also use the 14 Day Challenge as a tool to recruit new members to join the Champion Advocate membership tier, which is the first upsell. Those who join the Champion Advocate tier pay a monthly fee of nearly $100, and the Online Entrepreneur Academy Defendants permit and encourage them to sell Online Entrepreneur Academy offerings. The emphasis is on these members selling the 14 Day Challenge to new consumers because it is the introductory product.

77. The Online Entrepreneur Academy Defendants claim to have their own marketers (called "enrollment counselors") who sell the upsell products.

78. The Online Entrepreneur Academy Defendants claim that the Champion Advocate members will receive "commissions" and "residuals" on all Online Entrepreneur Academy products sold to their recruits over time (for the "lifetime" of each recruited client), and these amounts will grow quickly.

79. Drawing on their experience from 8 Figure Dream Lifestyle, Defendants Dee, Kaplan, and Maurer, on behalf of the Online Entrepreneur Academy Defendants, create and disseminate marketing materials designed to drive consumers to webinars and sales videos during which Defendants Dee, Kaplan, and Maurer promote the Online Entrepreneur Academy scheme and its 14 Day Champion Challenge.

80. The Online Entrepreneur Academy Defendants make express earnings claims in their marketing. In some instances, these Defendants have repurposed for Online Entrepreneur Academy testimonials that they used to pitch the 8 Figure Dream Lifestyle program, which are laced with earnings claims.

81. In January 2019 Defendant Dee sent an email targeting 8 Figure Dream Lifestyle members with the subject line: "20K in 60 Days Strategy…are you coming?" The email invited recipients to attend a live webinar that would announce the "NEW 20K in 60 days OEA Game Plan!!!"

82. During a webinar designed to convince 8 Figure Dream Lifestyle members to join the Online Entrepreneur Academy scheme, Defendant Dee stated:

> So bottom line guys, the reason that I'm sharing this with you, is that when you build this out, you actually make more money and more profits where you guys are getting up to making 6 figures online and even higher and now you're building out a monthly residual. Okay? So you can build this up to $6[,000], $10,000, $20,000 a month but that's residual.

83. The Online Entrepreneur Academy Defendants also make earnings claims in marketing materials targeted to the public. The website

14daychampionchallenge.com, which promotes the 14 Day Champion Challenge, prominently displays the following graphic:



Figure 12: Screen capture from 14daychampionchallenge.com. Attached as Ex. 12.

84. The embedded video, which is one of the principal sales videos to which the Online Entrepreneur Academy Defendants drive consumers, begins with Defendant Dee standing by a pool at a luxury home that he says belongs to him. He asks the viewer: "How would you like to learn how to create this, on demand, online?" while he fans a stack of $100 bills:



Figure 13: Screen capture of embedded video from 14daychampionchallenge.com with Defendant Dee pictured. Attached as Ex. 13.

85. Next, Defendant Dee cites earnings testimonials claiming that "Sean" made $2,174.97 in the last 7 days, "Ray" made $40,000 in the last month, and "Cliff" has been making $5,000 per month.

86. Defendant Dee says that he will show the viewer "exactly how they did it." He says he has taught "the same one thing to hundreds of our students now, who have been making anywhere from $50,000 to $100,000 and more, and are able to do this from home or while they travel."

87. Standing at a computer, Defendant Dee says: "Let me show you some of those students now," and he scrolls through a spreadsheet showing very large dollar amounts that he claims "our students" have earned, ranging from $1,212,000 to $23,000:

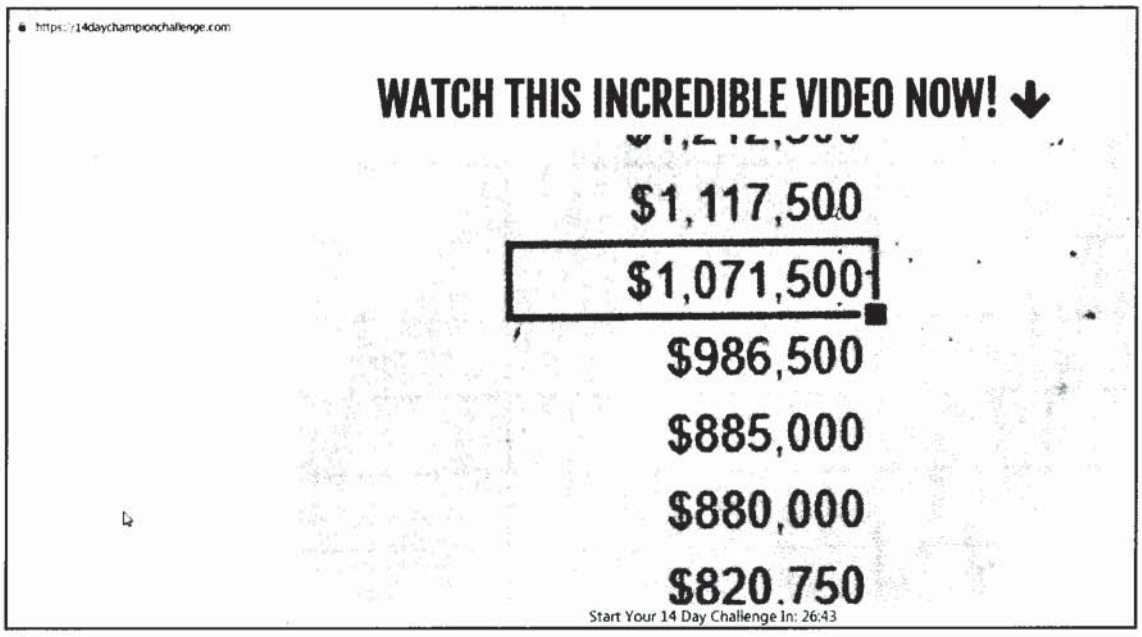


Figure 14: Screen capture of embedded video from 14daychampionchallenge.com. Attached as Ex. 14.

88. As he scrolls through the spreadsheet, Defendant Dee says: "And here's the cool part, if they can do it, so can you."

89. As with the 8 Figure Dream Lifestyle program, the Online Entrepreneur Academy Defendants encourage their members to purchase consumer leads from one or more preferred sources. They also design and make available marketing scripts and templates for use by members.

90. One script provided by the Online Entrepreneur Academy Defendants for live telephone calls promoting the 14 Day Champion Challenge instructs members to claim that new purchasers will make "a couple of grand online to start":

> **Q2. How much does it cost?**
> Now <firstname>, it's less than the price of a bad night out! But let me ask you! Are you more concerned about cost or value? Because if I showed you something that could make you a couple of grand online to start, you wouldn't mind putting $67 in, right?

91. The same script instructs members to claim that "we have hundreds of students as you'll see when I send you the page that ha[ve] had success and if they can do it, so can you!"

92. The Online Entrepreneur Academy Defendants have provided another script for use when pitching the 14 Day Champion Challenge to "professionals." The script instructs members to claim that consumers can "start making $50k-$100,000":

> **Script for a Professional:**
>
> YOU: Hi there. What do you do?
>
> Professional: They tell you what they do for a living.
>
> YOU: I help professionals switch from working a job to mastering a skill set that transitions them to part time online and then full time once they replace their salary! We have an academy that has all of these experts involved from Instagram, to Facebook, to YouTube that can teach you at least one skill set how to start making $50k-$100,000.

93. The Online Entrepreneur Academy Defendants' earnings claims are false or unsubstantiated.

94. In fact, the Online Entrepreneur Academy Defendants have acknowledged that they lack substantiation for their earnings claims. A purported income disclaimer posted on their website states: "[s]ince OEA, LLC has recently launched, it lacks enough statistical data to prepare reliable income disclosures."

95. The purported disclaimer also states that "[t]he average annual gross income for Members is projected to be between $500 and $5,000 based upon industry standards and company projections," although these numbers are merely "estimates prepared by the company pending a more detailed survey to be conducted after its first year," and "it's important to understand that the vast

majority of Members will not derive an income from the OEA, LLC." (Emphasis added.)

96. Much like the 8 Figure Dream Lifestyle income disclaimer, the Online Entrepreneur Academy disclaimer is linked in small type at the bottom of the company's websites and not referenced within the Online Entrepreneur Academy marketing materials.

Statements About the 8 Figure Dream Lifestyle Scheme in Marketing Materials for the Online Entrepreneur Academy Scheme

97. Defendants Dee, Kaplan, and Maurer have acknowledged that they left 8 Figure Dream Lifestyle and launched the Online Entrepreneur Academy scheme because they had serious concerns that the government might shut down 8 Figure Dream Lifestyle following recent FTC actions against companies called MOBE and Digital Altitude. *See FTC v. Mobe Ltd., et al.*, No. 6:18-CV-862-ORL-37DCI (M.D. Fla. 2018); *FTC v. Digital Altitude LLC, et al.*, No. 2:18-CV-00729 JAK (MRWx) (C.D. Cal. 2018). Those schemes pushed similar money-making models through false or unsubstantiated earnings claims.

98. Indeed, Defendant Dee sent an email to 8 Figure Dream Lifestyle members in November 2018—days before the public announcement of Online Entrepreneur Academy—that directly referenced the MOBE and Digital Altitude shutdowns: "We had seen companies like MOBE and Digital Altitude who sell digital products not of high value that were empires that are no longer here!" Dee's email subject line was: "The gauntlet has been thrown down! And compliance has spoken! It's time to get ahead of the market?"

99. During a December 2018 webinar, Defendant Dee displayed a written statement including the sentence: "While we don't endorse [Defendant Bain's] business model [for 8 Figure Dream Lifestyle], we're headed in a very different direction and won't be a part of it because the market has changed."

100. During that same webinar, Defendant Dee stated that Online Entrepreneur Academy's business model would differ from 8 Figure Dream Lifestyle's by being "Compliant friendly to establish [a] long term build" and having "true customers who utilize the academy vs. just recruiting members! . . . [T]here's a true value in the product itself."

101. During a November or December 2018 webinar that contrasts Online Entrepreneur Academy with 8 Figure Dream Lifestyle, Defendant Maurer briefly posted a statement asking 8 Figure Dream Lifestyle members to "imagine NOT having to recruit to make money."

102. In these instances the Online Entrepreneur Academy Defendants profess to be concerned with compliance and moving Online Entrepreneur Academy in a "very different direction" than 8 Figure Dream Lifestyle. The reality is that little has changed besides the name. As with the 8 Figure Dream Lifestyle scheme, the Online Entrepreneur Academy scheme is a fraudulent money-making opportunity that relies on false or unsubstantiated earnings claims to sell memberships and pushes a recruiting-focused business model.

Harm to Consumers

103. Defendants have made statements that demonstrate the magnitude of the injury they have been inflicting on consumers.

104. In an early 2018 webinar, Defendant Dee bragged that he and Defendants Kaplan and Maurer received more than $6.5 million from 547 consumers in less than two years. He further claimed that the 8 Figure Dream Lifestyle Defendants had paid out "over $25 million in commissions" and had over 1,800 customers. The following is a screen capture from the webinar:

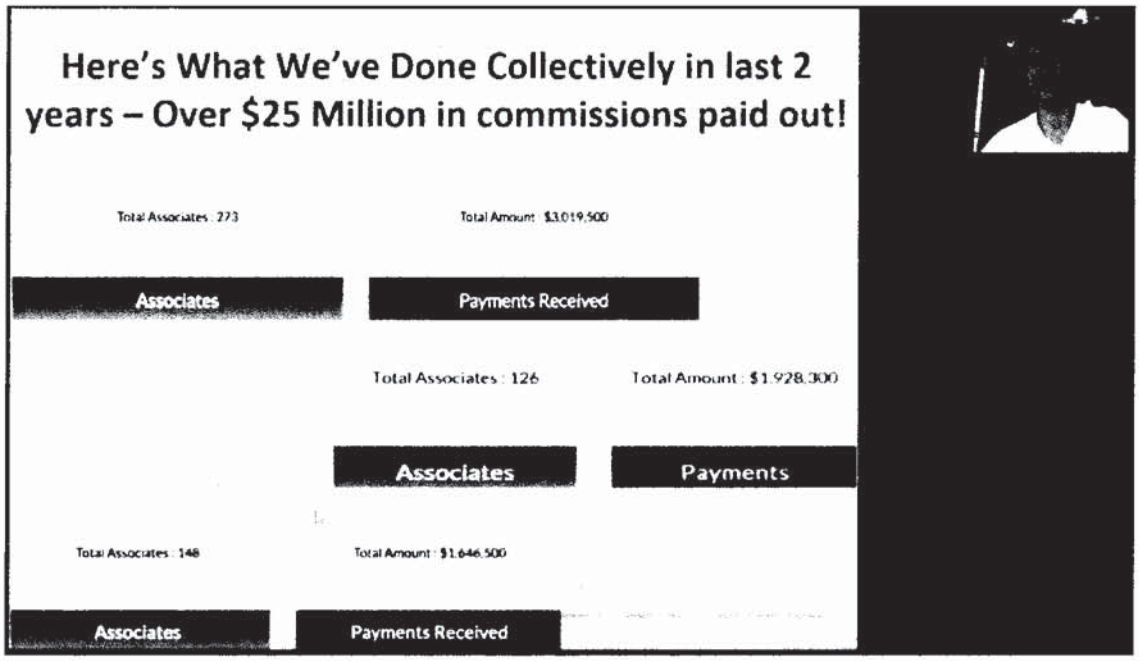


Figure 15: Screen capture of 8 Figure Dream Lifestyle webinar with Defendant Dee on webcam. Attached as Ex. 15.

105. In a November 2018 webinar promoting the Online Entrepreneur Academy program, Defendant Dee revised that number upward to "close to $30 Million in commissions." The following is a screen capture from the webinar:

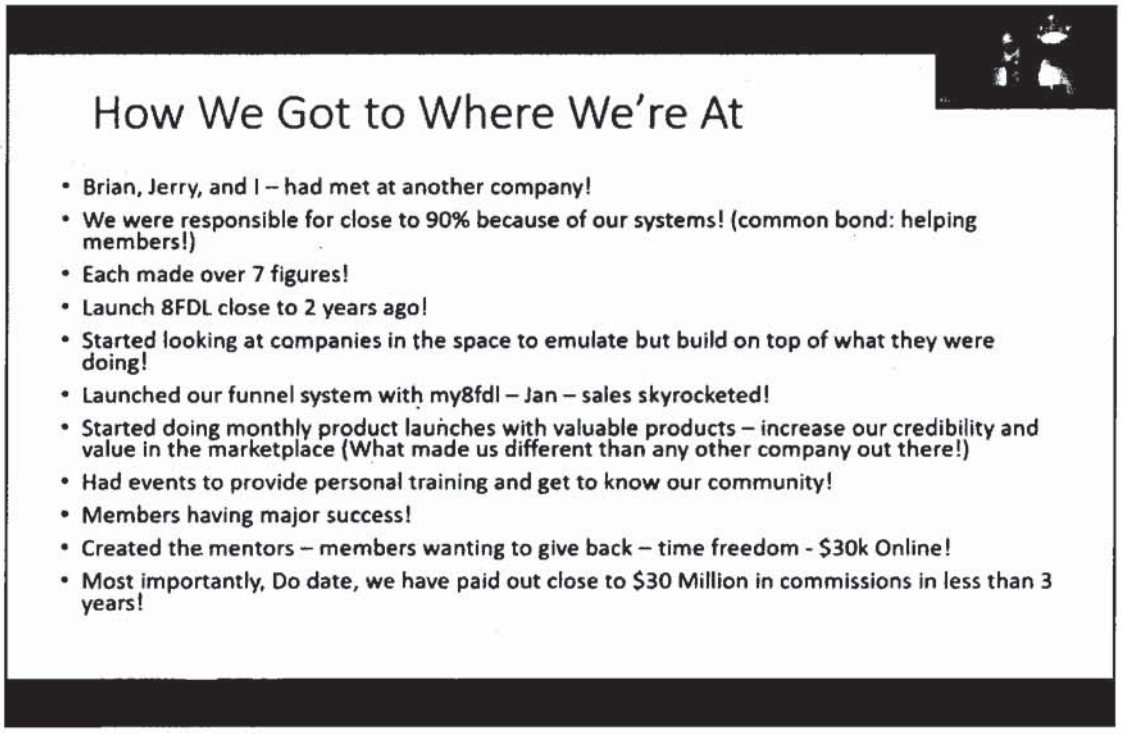


Figure 16: Screen capture of Online Entrepreneur Academy webinar with Defendant Dee on webcam. Attached as Ex. 16.

106. The "asserted" "commission" amounts likely came directly from consumers' payments for 8 Figure Dream Lifestyle memberships, and thus represent money consumers have lost after falling prey to Defendants' false or unsubstantiated earnings claims. Notably, the commission amounts do not account for harm that is resulting and has resulted from the newer Online Entrepreneur Academy scheme.

107. 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, the 8 Figure Dream Lifestyle Defendants have a history of repeated fraudulent conduct and some of them continue to operate the 8 Figure Dream Lifestyle scheme while some of them left to create and operate the Online Entrepreneur Academy scheme.

VIOLATIONS OF THE FTC ACT

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

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

Count I

Misrepresentations Regarding Earnings

(All Defendants)

110. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of their memberships or products, Defendants represent or have represented, directly or indirectly, expressly or by implication, that purchasers of their memberships or products will earn or are likely to earn substantial income.

111. Defendants' representations as set forth in Paragraph 110 are false, misleading, or were not substantiated at the time the representations were made.

112. Therefore, Defendants' representations as set forth in Paragraph 110 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE TELEMARKETING SALES RULE

113. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108, in 1994. The FTC adopted the original Telemarketing Sales Rule ("TSR") in 1995, extensively amended it in 2003, and amended certain sections thereafter. 16 C.F.R. Part 310.

114. Under the TSR, a "telemarketer" is any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor. *Id.* § 310.2(ff). A "seller" means any person who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration." *Id.* § 310.2(dd).

115. The TSR prohibits sellers and telemarketers from "[m]aking a false or misleading statement to induce any person to pay for goods or services or to induce a charitable contribution." *Id.* § 310.3(a)(4).

116. Under the TSR, an "investment opportunity" means anything, tangible or intangible, that is offered, offered for sale, sold, or traded based wholly or in part on representations, either express or implied, about past, present, or future income, profit, or appreciation." *Id.* § 310.2(s).

117. The TSR prohibits sellers and telemarketers from "[m]isrepresenting, directly or by implication, in the sale of goods or services . . . [a]ny material aspect of an investment opportunity including, but not limited to, risk, liquidity, earnings potential, or profitability." *Id.* § 310.3(a)(2)(vi).

118. Under the TSR, an "outbound telephone call" means a telephone call initiated by a telemarketer to induce the purchase of goods or services or to solicit a charitable contribution. *Id.* § 310.2(x).

119. As amended, effective September 1, 2009, it is an abusive telemarketing act or practice and a violation of the TSR for a telemarketer to, or for a seller to cause a telemarketer to, initiate an outbound telephone call that delivers a prerecorded message to induce the purchase of any good or service. *Id.* § 310.4(b)(1)(v). Calls delivering prerecorded messages are commonly called "robocalls."

120. It is a violation of the TSR for any person to provide substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any practice that violates Sections 310.3(a), (c) or (d), or 310.4 of the TSR. *Id.* § 310.3(b).

121. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or 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

False or Misleading Statements to Induce Persons to Pay for Goods or Services

(8 Figure Dream Lifestyle Defendants)

122. In numerous instances, in connection with telemarketing and/or telemarketing transactions, the 8 Figure Dream Lifestyle Defendants make or have made false or misleading statements to induce persons to pay for 8 Figure Dream Lifestyle memberships or products.

123. In numerous instances since approximately November 2018, in connection with telemarketing and/or telemarketing transactions, Defendant 8

Figure Dream Lifestyle and Defendant Bain make or have made false or misleading statements to induce persons to pay for 8 Figure Dream Lifestyle memberships or products.

124. Defendants' acts or practices as set forth in Paragraphs 122-123 violate 16 C.F.R. § 310.3(a)(4).

Count III

Misrepresentations Regarding Material Aspects of an Investment Opportunity

(8 Figure Dream Lifestyle Defendants)

125. In numerous instances, in connection with telemarketing and/or telemarketing transactions, the 8 Figure Dream Lifestyle Defendants misrepresent or have misrepresented, directly or by implication, material aspects of an investment opportunity, including the risk, liquidity, earnings potential, or profitability of 8 Figure Dream Lifestyle memberships or products.

126. In numerous instances since approximately November 2018, in connection with telemarketing and/or telemarketing transactions, Defendant 8 Figure Dream Lifestyle and Defendant Bain misrepresent or have misrepresented, directly or by implication, material aspects of an investment opportunity, including the risk, liquidity, earnings potential, or profitability of 8 Figure Dream Lifestyle memberships or products.

127. Defendants' acts or practices as set forth in Paragraphs 125-126 violate 16 C.F.R. § 310.3(a)(2)(vi).

Count IV

Unlawful Prerecorded Messages

(8 Figure Dream Lifestyle Defendants)

128. In numerous instances, in connection with telemarketing and/or telemarketing transactions, the 8 Figure Dream Lifestyle Defendants engage or have engaged in initiating or causing the initiation of outbound telephone calls that

delivered prerecorded messages to induce the sale of 8 Figure Dream Lifestyle memberships or products.

129. In numerous instances since approximately November 2018, in connection with telemarketing and/or telemarketing transactions, Defendant 8 Figure Dream Lifestyle and Defendant Bain engage or have engaged in initiating or causing the initiation of outbound telephone calls that delivered prerecorded messages to induce the sale of 8 Figure Dream Lifestyle memberships or products.

130. Defendants' acts or practices as set forth in Paragraphs 128-129 violate 16 C.F.R. § 310.4(b)(1)(v).

Count V

Assisting and Facilitating Abusive or Deceptive Telemarketing Acts or Practices

(8 Figure Dream Lifestyle Defendants)

131. In numerous instances, the 8 Figure Dream Lifestyle Defendants provide or have provided substantial assistance or support to sellers and/or telemarketers engaged in telemarketing, as defined by the TSR, 16 C.F.R. § 310.2, whom the 8 Figure Dream Lifestyle Defendants knew or consciously avoided knowing were engaged in conduct that violated TSR §§ 310.3(a)(2)(vi) (misrepresenting material aspects of an investment opportunity), 310.3(a)(4) (making false or misleading statements to induce persons to pay for goods or services), or 310.4(b)(1)(v) (initiating or causing the initiation of outbound telephone calls that delivered prerecorded messages).

132. In numerous instances since approximately November 2018, Defendant 8 Figure Dream Lifestyle and Defendant Bain provide or have provided substantial assistance or support to sellers and/or telemarketers engaged in telemarketing, as defined by the TSR, 16 C.F.R. § 310.2, whom Defendant 8 Figure Dream Lifestyle and Defendant Bain knew or consciously avoided knowing were engaged in conduct that violated TSR §§ 310.3(a)(2)(vi) (misrepresenting

material aspects of an investment opportunity), 310.3(a)(4) (making false or misleading statements to induce persons to pay for goods or services), or 310.4(b)(1)(v) (initiating or causing the initiation of outbound telephone calls that delivered prerecorded messages).

133. Defendants' substantial assistance or support as set forth in Paragraphs 131-132 violates the TSR, 16 C.F.R. § 310.3(b).

CONSUMER INJURY

134. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the TSR. 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 and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

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

136. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the TSR, including the rescission or reformation of contracts, and the refund of money.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b), 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b), and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including temporary and preliminary injunctions, an order freezing assets, and appointment of a receiver;

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

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the TSR, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

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

Respectfully submitted,

ALDEN F. ABBOTT
General Counsel

Dated: June 12, 2019

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FEDERAL TRADE COMMISSION


In the next 60 Minutes, We promise!
You are going to discover how to make over $10k A Month online EACH AN EVERY MONTH even if you don't have a product or know how to market & without being a techie!

Exhibit 1



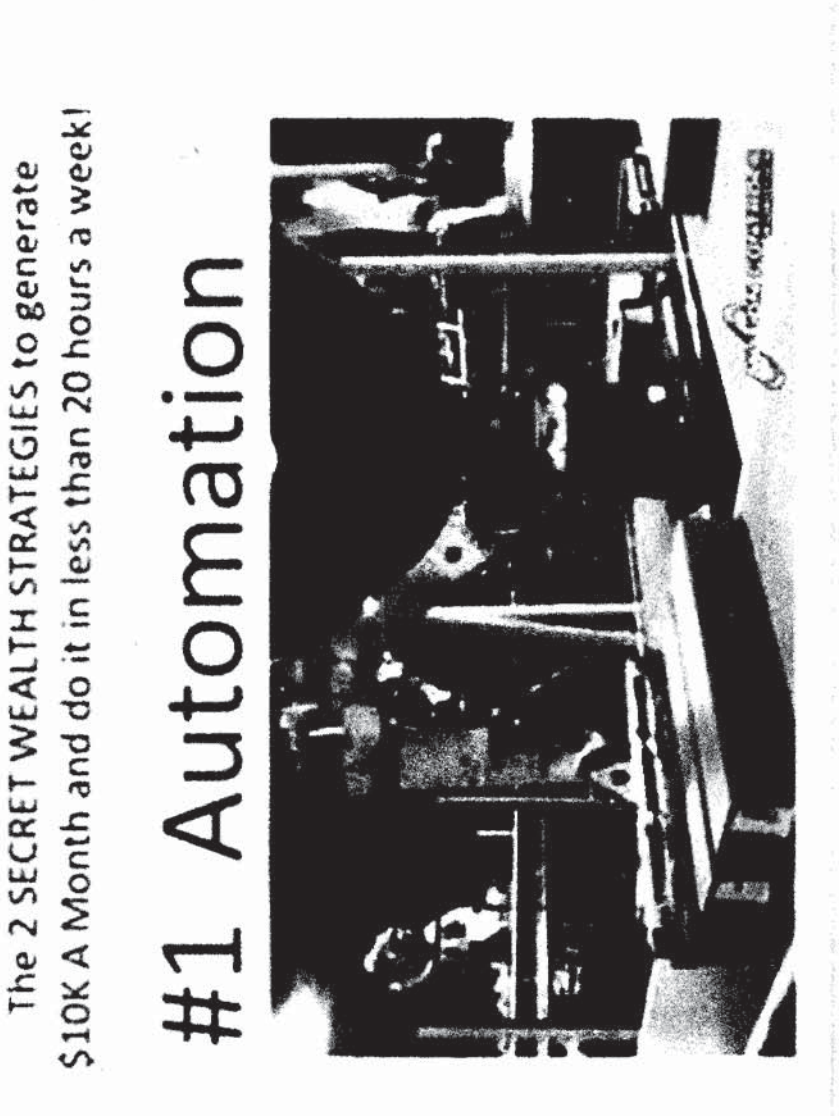

#1 Automation
The 2 SECRET WEALTH STRATEGIES to generate
$10K A Month and do it in less than 20 hours a week!

Exhibit 2

8 Figure Dream Lifestyle - Ten Reasons Why This System Works
1. Proven business model that's franchise like - We have a blueprint for success already in place
2. Marketing – 20-50 Leads A Day System - It's simple, easy-to-use and duplicatable – We have sources of unlimited leads in place
3. Time – 4-2-1 System – Start off in 10 Hours A week to build up to 5 Figures in 60-90 Days! Automation & Outsourcing
4. Sales – Automated Funnels/Webinars System – Do 90% of the work for you and have mentors close the deals for you!

Exhibit 3



Exhibit 4

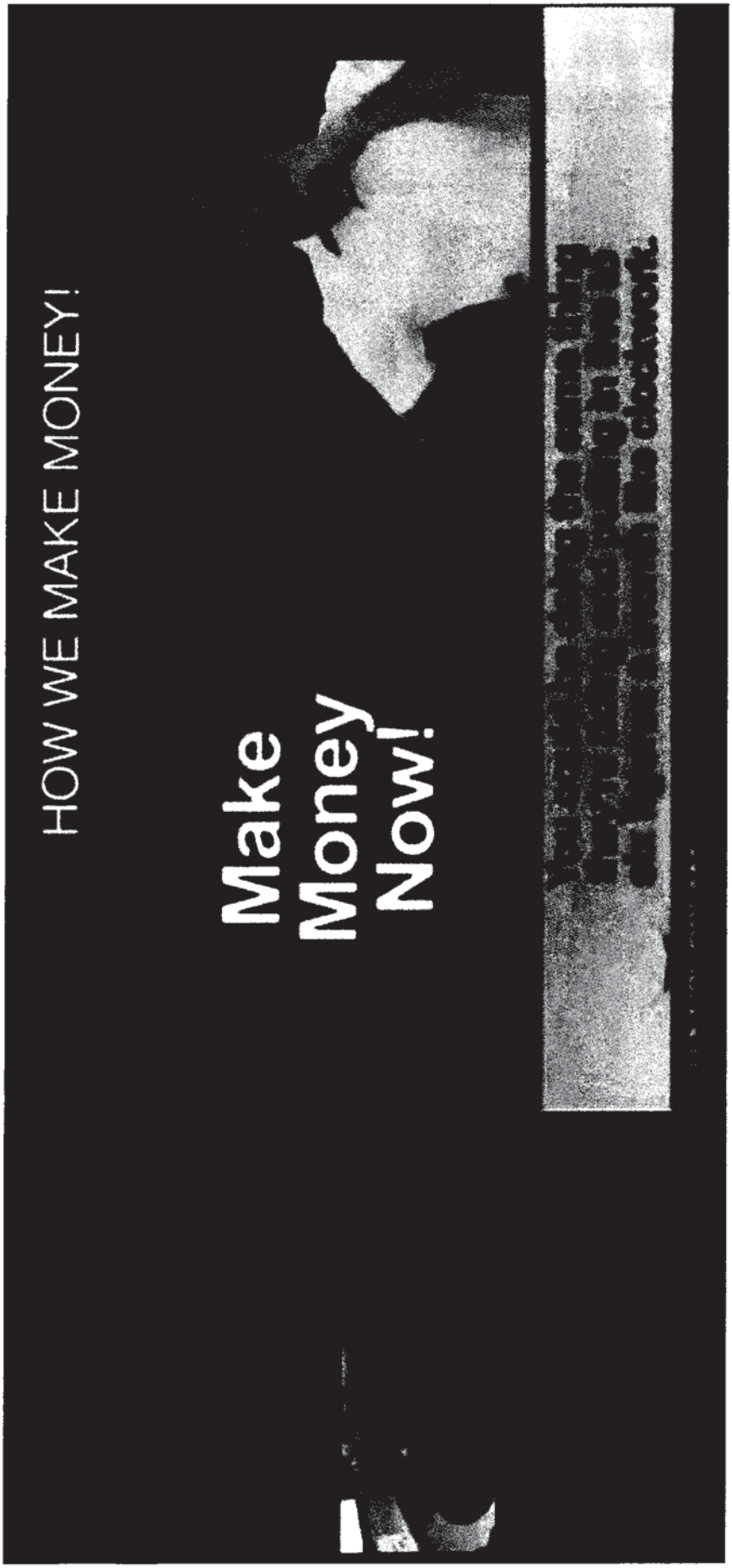


Exhibit 5

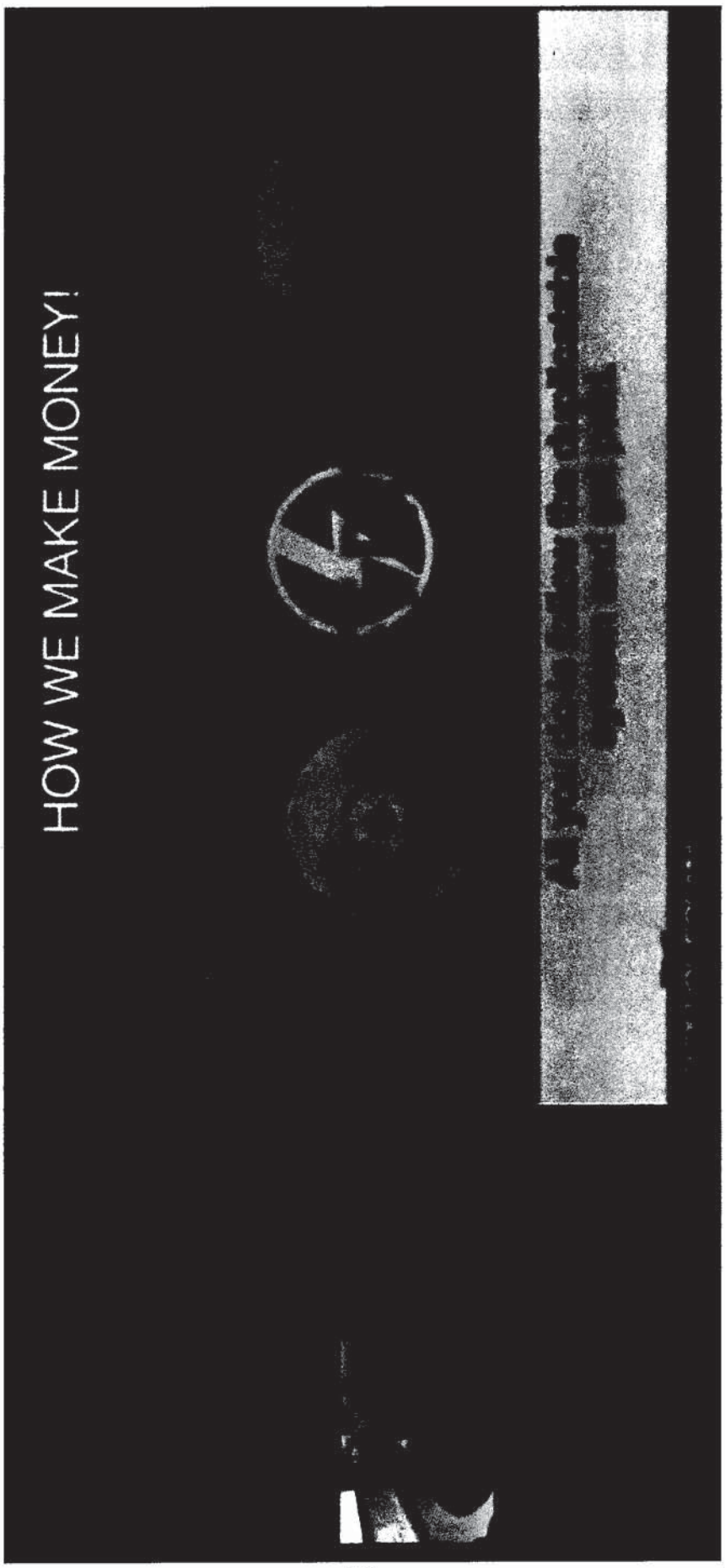


Exhibit 6


HOW WE MAKE MONEY!
and by simply following our system
step-by-step and letting us do 90%
of the work for you.

Exhibit 7

SO THEN WHO WOULD OUR BUSINESS BE GOOD FOR?
People who want to Fire Their Boss – Use all your experience and skills for yourself and build your own dream vs. someone else's!
Business Owners that want to Build your Ideal Business - Build a business that matches your lifestyle! No headaches of having to manage employees, physical products, and office!
Retirees - Extra income - Make sure those golden years are actually "Golden"!

Exhibit 8

orget everything you know about online gurus, how to make money online,
nd biz opps!
here are 7 exact reasons why people fail online! And what you need is a
EAL "franchise like" Online business to succeed!
No BS!
Just Straight walk through on exactly how we got the marketing, products,
and the most important thing that every other model is missing to get you to
the winner's circle!
RESERVE MY SEAT NOW
Golden Alley

Exhibit 9

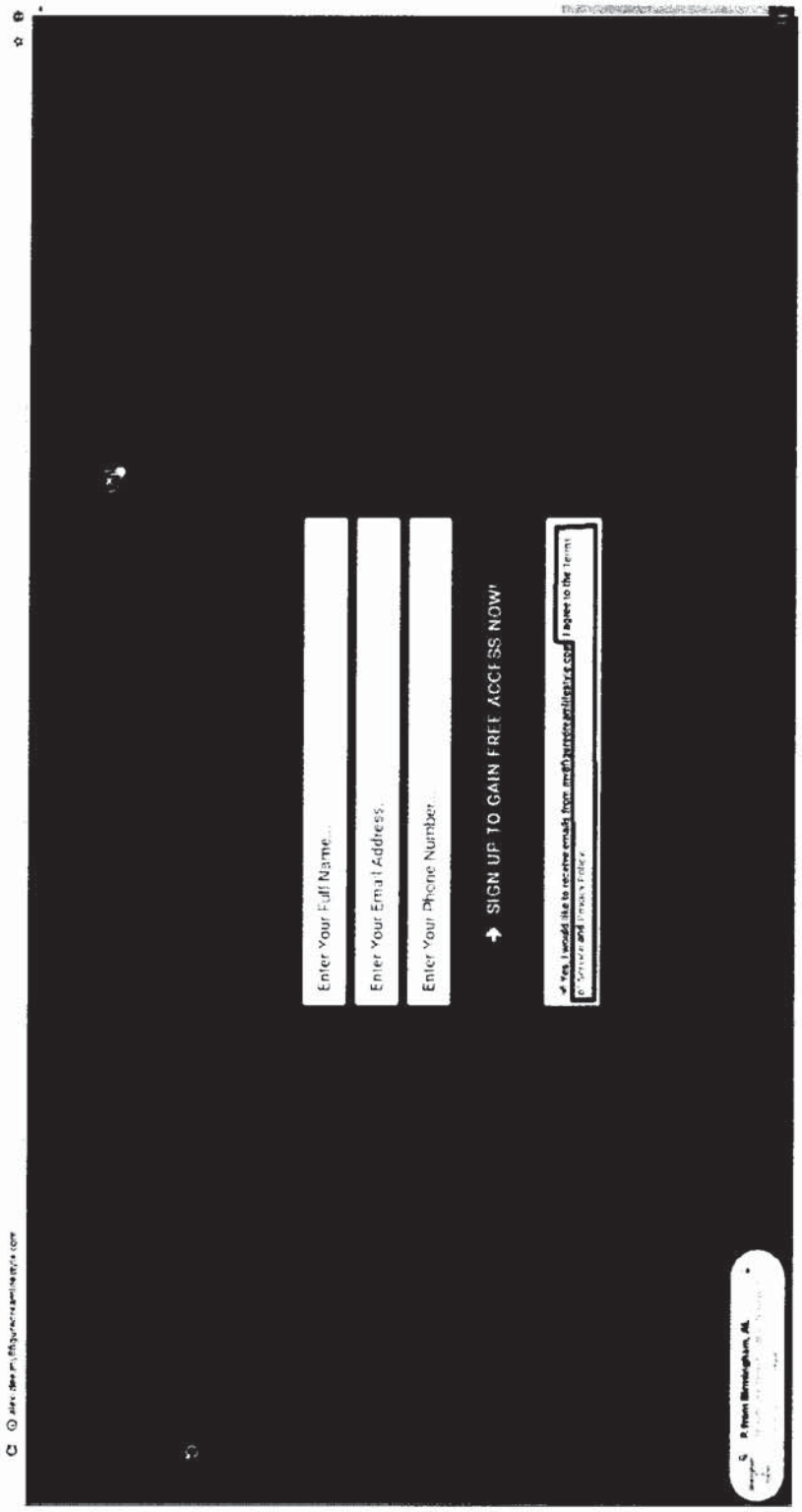

Enter Your Full Name...
Enter Your Email Address...
Enter Your Phone Number...
SIGN UP TO GAIN FREE ACCESS NOW!

Exhibit 10

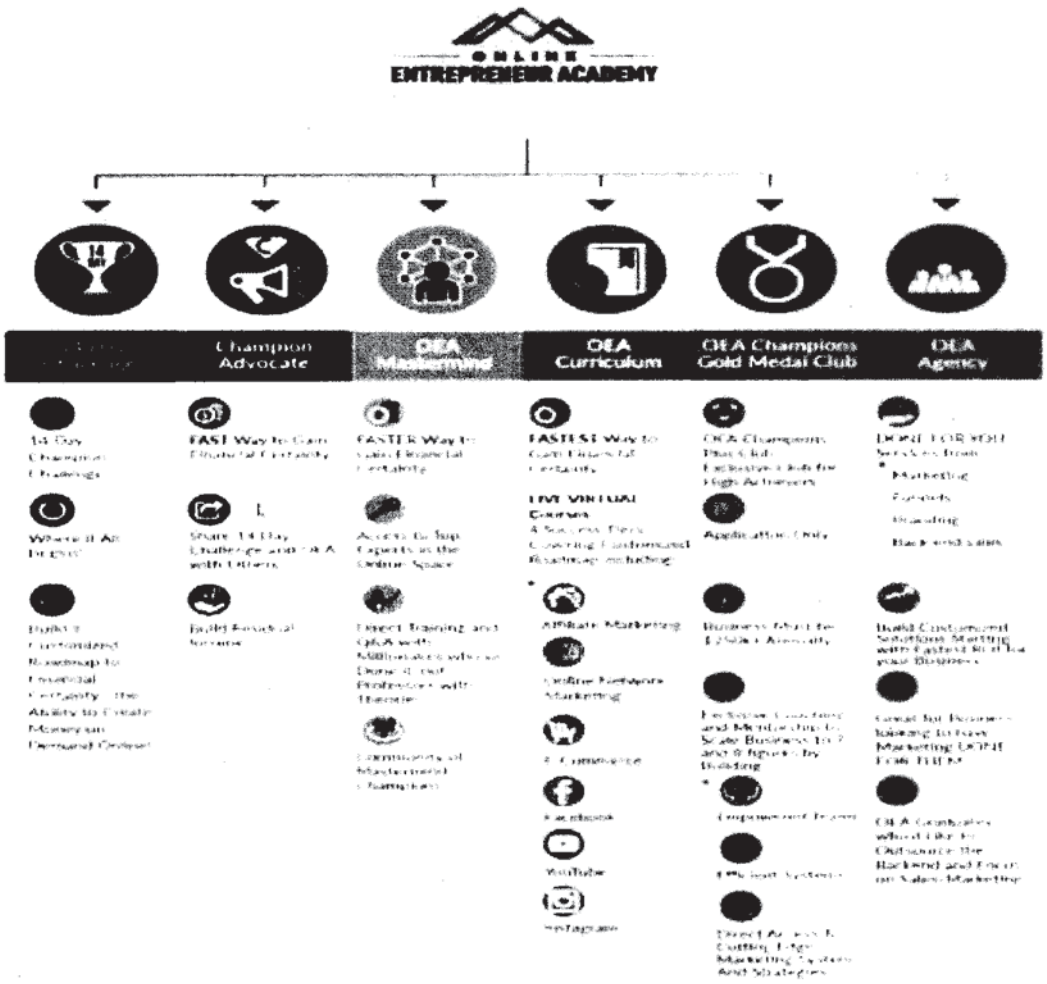

ONLINE
ENTREPRENEUR ACADEMY
Champion Advocate
OEA Curriculum
OEA Champions Gold Medal Club
OEA Agency

Exhibit 11

https://14daychampionchallenge.com
Attention anyone wanting to finally start living life on their terms... from their laptop or phone...
Discover the ONE THING this regular guy used to create over $27,397 per day online!
Free Video UNVEILS ALL!
Watch The FREE Video Now!

Exhibit 12

WATCH THIS INCREDIBLE VIDEO NOW!
Start Your 14 Day Challenge In: 27:40
https://14daychamponchallenge.com

Exhibit 13

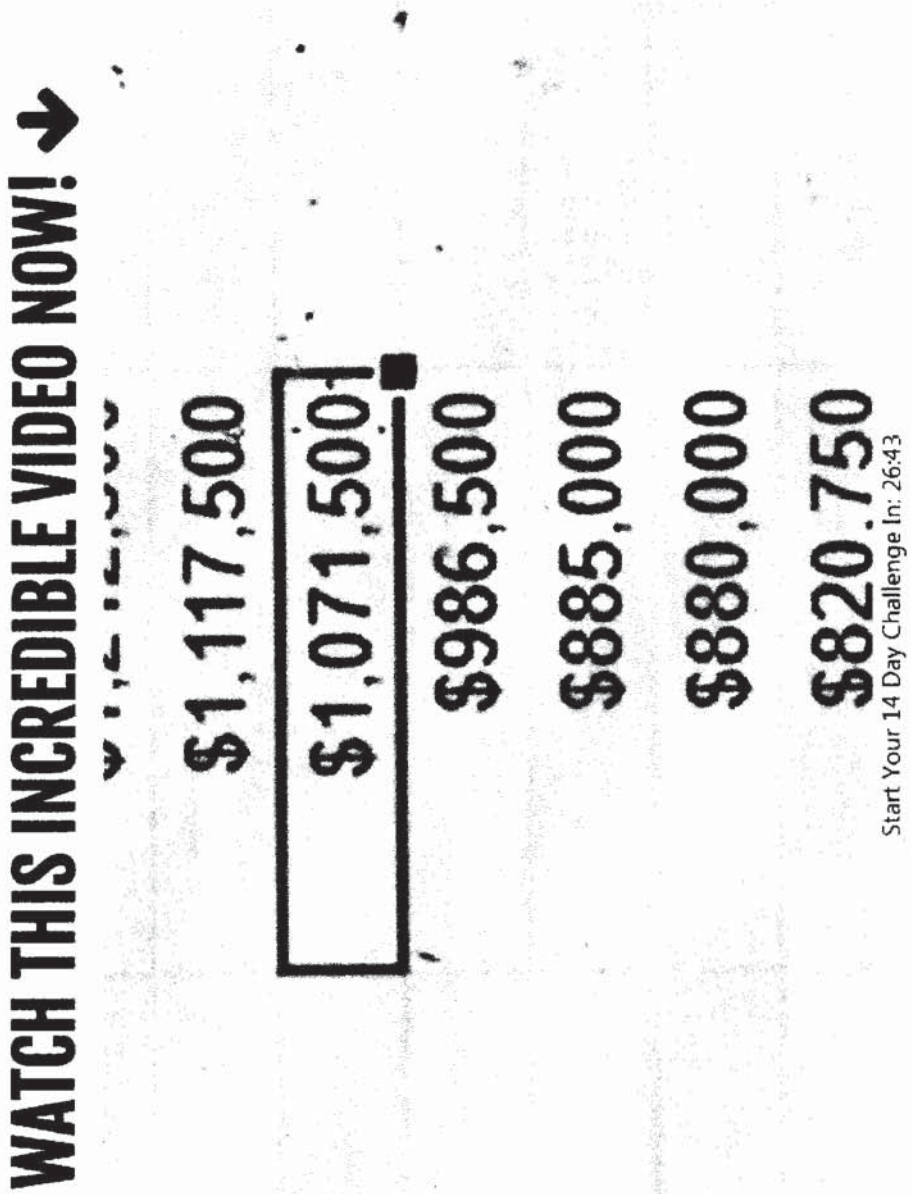

WATCH THIS INCREDIBLE VIDEO NOW!
$1,117,500
$1,071,500
$986,500
$885,000
$880,000
$820,750
Start Your 14 Day Challenge In: 26:43
https://14daychamponchallenge.com

Exhibit 14

Here's What We've Done Collectively in last 2 years – Over $25 Million in commissions paid out!
Total Associates : 273
Total Amount : $3,019,500
Associates
Payments Received
Total Associates : 126
Total Amount : $1,928,300
Associates
Payments
Total Associates : 148
Total Amount : $1,646,500
Associates
Payments Received

Exhibit 15



How We Got to Where We're At

- Brian, Jerry, and I – had met at another company!
- We were responsible for close to 90% because of our systems! (common bond: helping members!)
- Each made over 7 figures!
- Launch 8FDL close to 2 years ago!
- Started looking at companies in the space to emulate but build on top of what they were doing!
- Launched our funnel system with my8fdl – Jan – sales skyrocketed!
- Started doing monthly product launches with valuable products – increase our credibility and value in the marketplace (What made us different than any other company out there!)
- Had events to provide personal training and get to know our community!
- Members having major success!
- Created the mentors – members wanting to give back – time freedom - $30k Online!
- Most importantly, Do date, we have paid out close to $30 Million in commissions in less than 3 years!

Exhibit 16

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