

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LURN, INC.,
2098 Gaither Road Rockville, Maryland 20850

ANIK SINGAL, a resident of Gaithersburg,
Montgomery County, Maryland, individually and
as an officer of LURN, INC.,

TYRONE COHEN, individually, and

DAVID KETTNER, individually

Defendants.

Case No. _____

**COMPLAINT FOR PERMANENT
INJUNCTION, MONETARY
RELIEF, AND OTHER RELIEF**

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, which authorize the FTC to seek, and the Court to order, temporary, preliminary, and permanent injunctive relief, monetary relief, and other relief against Defendants for engaging in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the FTC’s Telemarketing Sales Rule (“TSR” or “Rule”), 16 C.F.R. Part 310, and that the Commission has previously determined to be unfair or deceptive, in connection with the sale and marketing of Defendants’ goods and services.

SUMMARY OF CASE

2. Since 2019, Defendants have sold programs that purport to teach consumers how to earn substantial income online. From 2019 through May 2022, Defendants took approximately \$65,000,000 from consumers using deceptive earnings claims.

3. Defendants claim that their programs can teach consumers how to make money through a wide range of activities. For example, Defendants offer to teach consumers how to make six to seven figures a year through email-based affiliate marketing, how to make \$1,000 a day selling eBooks, and how to make six figures a year by selling customizable mugs.

4. Defendants also sell expensive business coaching programs that purport to allow consumers to make hundreds of thousands of dollars and replace their day jobs.

5. Defendants lack substantiation for their earnings claims, which are often flatly fabricated.

6. In an attempt to pressure consumers to purchase their courses, Defendants routinely state falsely, that Lurn has limited capacity to work with new customers (or “students”), and due to high demand, the courses are filling up quickly. Defendants falsely tell consumers that they must act fast if they want an opportunity to purchase Lurn’s programs.

7. Defendants’ deceptive practices, as described in this Complaint, violate the FTC Act and the TSR.

8. On October 26, 2021, the FTC sent Lurn Notices of Penalty Offenses Concerning Money-Making Opportunities and Testimonials (the “Notices”), noting that Lurn could be subject to civil penalties for violations of the FTC Act in connection with their marketing claims, pursuant to 15 U.S.C. § 45(m)(1)(B); 16 C.F.R. § 1.98(e). The Notices stated that it is an unfair

or deceptive trade practice to make false, misleading, or deceptive representations concerning the profits or earnings a participant in a money-making opportunity can expect or to engage in certain acts or practices related to consumer testimonials. Defendants Lurn and Singal have continued to use deceptive or unsubstantiated earnings claims in their marketing even after receiving the Notices.

JURISDICTION AND VENUE

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

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

PLAINTIFF

11. The FTC is an independent agency of the United States Government created by the FTC Act, which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the Telemarketing Act. In accordance with 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.

DEFENDANTS

12. Defendant Lurn, Inc. (“Lurn”), is a Maryland corporation with its principal place of business at 2098 Gaither Rd., Rockville, MD 20850-4017. Lurn transacts or has transacted business in this District and throughout the United States. At all times relevant to this Complaint,

acting alone or in concert with others, Lurn has advertised, marketed, distributed, and sold e-commerce programs to consumers throughout the United States and abroad.

13. Defendant Anik Singal (“Singal”) is the Chief Executive Officer and sole owner of Lurn. At all times relevant 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 set forth in this Complaint. Singal is the face of Lurn. He features prominently in Lurn’s advertising and webinars and plays a key role in developing Lurn’s offerings and marketing. Singal resides in Gaithersburg, Maryland, and in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

14. Defendant Tyrone Cohen (“Cohen”) is the creator and spokesperson for Kindle Cashflow University, one of Lurn’s most popular programs. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had authority to control, or participated in the acts and practices set forth in this Complaint. Cohen resides in Apex, North Carolina, and in in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

15. Defendant David Kettner (“Kettner”) is the creator and spokesperson of Printable Profits, one of Lurn’s most popular programs. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had authority to control, or participated in the acts and practices set forth in this Complaint. Kettner resides in Peoria, Arizona, and in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

COMMERCE

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

DEFENDANTS’ BUSINESS ACTIVITIES

17. Since at least 2009, and continuing through the present day, Defendants have engaged in a scheme to sell e-commerce programs and related products and services. From 2019 through May 2022 Defendants took more than \$65,000,000 from consumers.

18. Defendants market their programs and related products and services to consumers around the country through the internet, email, YouTube, social media, and telemarketing.

19. Defendants represent that their e-commerce programs are tested and profitable systems consumers can easily use to generate significant income. Defendants claim that consumers will be able to make thousands, and sometimes millions, of dollars in profit, regardless of their experience, knowledge, or investment. These representations are false or misleading and unsubstantiated.

20. Defendants do not track their customers’ earnings and do not know what those earnings amount to. Defendants’ only substantiation for their lavish earnings claims are a handful of anecdotal testimonials from former customers or Lurn coaches who purport to have earned substantial income with Defendants’ e-commerce programs.

21. Defendants sell a variety of e-commerce programs, with a handful of those accounting for more than half of Lurn’s income. From 2019 to November 2022, Defendants generated approximately \$24 million from the sale of their “Email Startup Incubator” program,

\$5 million from the sale of a “Printable Profits” program, and \$4 million from a “Kindle Cash Flow University” program. As explained below, Defendants use deceptive practices to sell each of these programs.

Deceptive Marketing of the Email Startup Incubator Program

22. Defendants’ Email Startup Incubator purports to teach consumers how to make substantial income through e-mail advertising and affiliate marketing. Email Startup Incubator costs \$1,995, though Defendants claim the course offers over \$37,710 of value.

23. Defendants’ advertisements invite consumers to a “FREE training workshop” that will walk them “through the exact steps [Singal] used to generate millions of dollars online by using just an email and other people’s products.” Consumers can then click on a link that brings them to a registration page at a Lurn.com domain.

24. After following the link, consumers see the screen in the image below. In that image, Defendants claim to have a “**5 - Step System**” to become a “**Stay-At-Home Millionaire.**” Defendants also claim that Singal has used this 5-Step System for the last twenty years, and that he currently uses this system to generate over \$1 million “PER MONTH!”

**Discover My 5-Step System
For Becoming A Stay-At-Home Millionaire...**

9.4 MILLION Americans Have Taken Control Of Their Lives & Futures In The Past 2 Years - Here's The **Fastest** Way To Join Them!

Save My FREE Seat For The Workshop
Multiple Time & Date Options Available



HURRY, We Can Only Fit 100 Attendees Per Session, and Seats Are Filling Fast!

In this Workshop + FREE Book, you'll learn...

- Simple 5 Step System:**
The complete system I use to generate over \$1M PER MONTH!
- Network of Opportunities:**
How to connect with over 100,000+ product owners who want you to sell their product for them! This is the FASTEST path to getting your first sales.
- #1 Traffic Source For Building an Email List:**
The only traffic source you really need today to start building your email business!

25. These claims are false and unsubstantiated. Defendants do not track their customers' earnings, and thus do not know how their customers fare. Furthermore, Singal does not use this e-commerce program to generate over \$1 million per month.

26. Consumers who click on the registration link are prompted to enter their name and email information. They are then directed to a website that purports to have a countdown to the next webinar. The webinars are typically between two and three hours in length, follow a PowerPoint presentation, and are narrated by Singal.

27. The introductory slide for the Email Startup Incubator webinar claims that Singal uses this e-commerce program to “Make More Than \$13,700 Per Day,” and states that the presentation was authored by Singal.

28. Throughout the presentation Singal touts his success in business. For example, Singal claims to have generated over \$250,000,000 in sales in the last 16 years. He claims that he made \$16 million in one ten-month period, and he claims to be the principal of six different companies with a combined revenue of \$30,000,000. Singal also claims to be a best-selling author, though the three books Singal claims to have written have only sold a little over a thousand copies and grossed less than \$10,000 in revenue.

29. Defendants falsely claim consumers can use the program to make at least \$1,000 a week. Singal states that “minimum, [his] goal for [consumers] is to get \$1,000 a day.” Additionally, Singal claims that he “want[s] [consumers] to get to a place where as a minimum [consumers] can replace their income,” and he “want[s] [consumers] to be able to replace their job[s]” using the program.

**In This Training, I’ll Show You A Simple, Time-Tested,
& Proven Way You Can Use To Build A \$1,000/Week
Business – And I’m Going To Give You The Entire
System FOR FREE!**

30. Other false or unsubstantiated earnings claims include:

- Singal will teach consumers “How To **Start Making Over \$400** Within 24 hours After This Training Is Over.”
- Consumers who finish the webinar will receive “**a copy of the simple 1-page website [Singal] personally use[s] to generate OVER \$13,700 per day,**” and consumers can receive access “**to literally EVERYTHING [Singal] use[s] to generate millions each year – for FREE.**”
- Defendants claim the Email Startup Incubator is a tested, reliable, and easy way for consumers to make over \$500 per day, as seen in the image below:

***Time-Tested & Proven Step-By-Step System For Making
\$500+ Per Day Using Nothing But A Simple 1-Page
Website & Email...***



**EMAIL STARTUP
INCUBATOR**

FEATURING: **inbox** BLUEPRINT | **LAUNCH PAD** | 

Training - Technology - Community - Resources - Success

- After displaying the image above at the webinar, Singal states:

And honestly this slide needs to be updated because I recently . . . updated the goal for the students because we have so many students doing so well that my goal for you is \$1,000 per day it's not \$500, \$1,000 per day, because I'm seeing the results from our students using nothing but a simple one-page website and email.

31. Defendants also claim that the program allows consumers to make thousands of dollars while only working a few hours a week:

- “Create A Side Business With Just A Few Hours A Week, And Turn It Into 5, 6, And Maybe even 7 Figures Per Year.”
- A former student is “making 5-6 figures a week, sometimes now, working 20-30 minutes tops.”

32. Defendants also claim to limit the number of people who will be able to purchase the Email Sales Incubator and work closely with them. For example, during the webinar, Singal claims that Lurn must limit the number of customers because Lurn staff work with customers on a daily basis. Singal claims to have room only for 75 additional customers and repeatedly mentions the limited capacity of the program throughout the webinar.

33. These claims are false. The webinars are prerecorded and Defendants replay them for months at a time. These webinars make the same claims about nearing capacity, and about customers needing to act quickly to secure their spots regardless of when the webinar plays and how many consumers have enrolled at a particular time.

34. Throughout the webinar, Defendants present testimonials from purportedly successful users of the Email Startup Incubator, such as:

- Rosalee Maquinay was able to achieve “Life-Changing Income – In Just Weeks!” with “**ZERO Business Background or Tech Skills.**” She generated over 10,000 email leads and \$360,000 in sales. Defendants then display a screenshot of a Facebook post from Rosalee displaying purported sales of \$40,048.37 over a four-month period.
- Laura Noel purportedly used the program to build a “6-Figure Business Helping Those in Need,” was able to retire three months after working with Defendants, and now makes “**\$10,000 - \$15,000 a month**” from using the program for Facebook advertising and list building. Defendants display a screenshot of \$66,056.46 in purported profits.

- Defendants claim Dori Friend used Defendants' e-commerce program to generate \$925,000 in sales and sell over \$1 million dollars in products in one year.
- Andy Brackpool made \$300,000 while traveling the world. According to Singal, Andy is "living in a very, very, nice house with his Jaguar and Aston Martin, you know about to marry his dream woman, living, and you know working about three hours a day. Doing \$600,000 a year, he's 24 years old, using the exact system I've shared with you."

35. These testimonials, to the extent they include any truthful earnings claims, are misleading. As Defendants themselves admit in poorly and briefly disclosed disclaimers that do not appear concurrently with the testimonials, the purported results are exceptional.

36. Defendants' website contains the following Earnings Disclaimer:

Many of our products and promotions provide information about potential income you may earn. These representations are not intended to describe a certain outcome or even a typical outcome, but rather actual results from those who have had exceptional success. Some of these students have relevant prior experience or other advantages that helped them make the most of our course. Lurn offers no guarantee or warranty that you will realize the amount of income or revenue referenced in the promotions or the courses themselves. Lurn generally provides message boards and forums where students can share their successes but does not actively conduct research as to what is the typical outcome for individual offerings.

37. Defendants also offer a disclaimer approximately 20 minutes into the webinar titled "The LEGAL Stuff" that states in a slide:

- I Can't Guarantee That You'll Make \$13,700+ Per Day Like I Do – Or Even \$1. I simply Don't Know Your Life And Work Habits. . .
- This Is NOT Some "Get Rich Quick" Scheme – This Is The "Make Money The Smart Way" System. . .
- My Results – And The Results Of My Students – Aren't Typical. There Are 16 Years Of Hard Work, Investment, And Failure Behind My Success. . .

38. Defendants' disclaimers directly contradict the messages conveyed repeatedly in their marketing – that purchasers are likely to earn substantial income utilizing Defendants' program. Defendants have no basis for their earnings claims, which are often wholly fabricated.

Deceptive Marketing of the Kindle Cashflow University and Printable Profits Programs

39. The types of misleading and unsubstantiated claims Defendants make to sell the Email Startup Incubator program are not unique. Defendants engage in similar deceptive practices to sell their other online courses as well.

Kindle Cashflow University

40. Defendants' second most profitable course is Kindle Cashflow University, a \$947 course which Defendants claim has a total value of \$8,043. The course is sold through a two-hour-and-forty-minute webinar. Singal presents at the beginning and end of the webinar and the rest of the content is presented by Defendant Tyrone Cohen, a purported "internationally renowned internet marketer."

41. Cohen claims that he will teach a "tried, tested and proven step by step system that's backed by ten plus years of teaching thousands of successful students of all backgrounds and ages across the planet how to make life changing money."

42. Cohen says that customers can get started in "less than 1 hour a week" and the system is "easier than you think."

43. Cohen instructs consumers to look for ebooks on Amazon with thousands of reviews, a favorable consumer rating, and a best seller ranking of 20,000 or less. Once consumers find a book that meets those criteria, they should emulate the content of that book to create their own ebook that they can sell on Amazon.

44. Cohen tells consumers that they only need a 10-35 page document for the ebook. He also advises that consumers can either write their own 10-35-page document, use an audio transcription service to narrate a similar book, or pay a ghostwriter \$150 to write a similar book. Cohen advises consumers to provide the ghostwriters a copy of the book they would like to be emulated and to instruct the writers that they should not copy the content of the book.

45. Once the book is created, consumers can, according to Cohen, sell it on Amazon and have an “evergreen” and “passive” source of income.

46. Cohen claims that more than 10,000 people have used his program to “change their lives,” and “tens of thousands of my students make huge amounts of money.” During the webinar he displays a slide of 52 people whom he claims are making \$1,000 a day using his system to sell ebooks on Amazon.

47. Cohen mentions that the results he describes are not typical and will vary based on skill, knowledge, and experience, but he does not disclose the typical results of consumers who purchase this system.

48. During the webinar, Singal claims that he has used Cohen’s system and is personally receiving checks from Amazon every month that pay his mortgage and car insurance. Singal also claims that failing to start using Cohen’s system earlier cost him \$1.2 to \$1.3 million dollars.

49. Singal further claims that Lurn “can’t take everyone” who wants to purchase the program, that they will run out of space “any minute,” and he urges consumers to act quickly before the program reaches capacity. These false claims were made in a pre-recorded webinar that ran for nearly two years.

Printable Profits

50. Defendants' third most lucrative course is called Printable Profits, a \$1,588 course which Defendants claim is worth \$20,976. Consumers who click on a link in Defendants' advertisements are directed to a website to sign up for a webinar. The website states that consumers can "Fail 98% of the Time & Still Be Able to Make \$11,453 Per Month."

51. The website instructs consumers to watch a video in which Singal interviews Dave Kettner, a so-called "mugpreneur" who promotes the course. In a podcast that Singal instructs consumers to watch before attending the webinar, Singal claims that purchasers have a "very good chance at a six-figure income."

52. During the webinar, Kettner explains that he has a "simple easy and proven system" that has helped over 17,000 people start an online business. Kettner instructs consumers to search Amazon for mugs that have sold in high volumes. Consumers can then use an app to create similar designs for new mugs to sell on Amazon. Consumers can also work with a "drop-shipping" company that will create the mugs and mail those directly to customers.

53. Kettner claims that even if 98% of the designs are not successful, 2% of the mug designs being successful means that consumers can still make \$11,453 per month based on the amount of overall mug sales made online.

54. Kettner also claims to have a "tested proven system[,]" a business model with "almost zero risk[,]" and boasts that the \$11,453 per month projection is "very conservative to be honest with you."

55. A PowerPoint slide entitled "legal stuff" states that results are not typical and will depend on consumers' work ethic and motivation. It further states that Defendants "Can't

promise” purchasers will make money but that they “Can promise” to show purchasers “the EXACT Same System [Kettner’s] Students and [Kettner] Use to Build Successful Businesses.”

56. Viewers are instructed to use a particular third-party drop shipper to print and ship the mugs they sell. Lurn customers who use this drop shipper receive a discount. Data from the drop shipper make clear that consumers did not earn significant income through the program.

57. Specifically, between 2019 and May 2022, Lurn sold the Printable Profits course to nearly 6,000 consumers. Fewer than a thousand of those consumers ordered any product from the drop shipper through a linked account. Of the nearly 1,000 consumers who purchased any products from the recommended drop shipper:

- 50% ordered 10 or fewer items;
- 90% ordered 124 or fewer items;
- 82% spent less than \$1,000 on mugs;
- 98% spent less than \$10,000 on mugs;
- More than half of consumers sold products for less than 4 months; and
- 99% of consumers sold products for less than 13 months.

Deceptive Telemarketing Practices

58. Lurn sells expensive “consulting programs” often to consumers who have purchased courses, such as those described above. These programs are sold by telephone and over Zoom meetings. Lurn has sold programs called “Digital Business Accelerator,” “Digital Empire,” and “Marketplace Mastery” among others.

59. The consulting programs cost as much as \$10,000 each. They purport to offer coaching sessions, access to weekly group coaching calls, and access to “forums” where purchasers can connect with other Lurn customers.

60. Lurn’s telemarketers follow scripts to sell the consulting programs, and the scripts are consistent between the programs. Telemarketers are instructed to ask consumers about their current income, how much they would like to make, and how the increased income would affect the consumers’ lives.

61. After the initial interview, the script directs the telemarketers to say “I’m 100% confident we can help you” get the results that the consumers wish for. The telemarketers are instructed to confirm that consumers can achieve the desired earnings regardless of the program, the consumer’s experience, or the amount of money the consumer hopes to attain.

62. Consumers have frequently told Lurn’s telemarketers that they hope to earn six figures a year or enough to provide a full-time income. Lurn’s telemarketers have routinely assured consumers they are 100% confident that Lurn can help the consumers get there.

63. These claims are false or unsubstantiated. Lurn does not track the results of consumers who purchase consulting programs and has no basis to claim to be 100% confident it can help consumers achieve any earning results, let alone six figures in annual income.

64. In early 2021, Lurn undertook a “Sales Compliance Review” in which Lurn’s Compliance Manger reviewed and scored telemarketing calls for compliance, including whether the telemarketer made earnings claims.

65. The Compliance Review concluded that Lurn’s telemarketers are “doing a great job!” even though the calls routinely included false or unsubstantiated lavish earnings claims.

For example, the following statements were made on calls with three separate consumers that received a perfect score in the review:

- “You obviously want to get to six figures. Even in a year or a month whatever it may be. You’re investing this one time to make that future investment to have the capability of making that in a month or at least that in a month in perpetuity. . . This could be the best decision you ever make in your life. It’s going to allow you to have a vehicle for passive income. It’s going to allow you to get away from a job that you don’t really like and take control of your time.”
- A telemarketer told a consumer who hoped to earn enough income so that her fiancé would not need to spend six months of the year working on a boat: “There’s so much value to be made and obviously that growth is going to translate to more success and more revenue and you helping to bring your fiancé home and having financial freedom without the struggle and the failure.”
- Customers who purchase the consulting program “are getting about a 73% accelerated rate of growth and success” compared with customers who do not purchase the program. When that consumer expressed concern about the interest payments he could face if he put the program on his credit card, the telemarketer responded: “[Y]ou have to ask yourself if a little bit of interest, let’s just say a couple hundred dollars, if that’s going to basically derail you from doing this program and benefitting from all of the money you’re going to make, just a little bit of interest, you have to tell yourself that this is a cost of doing business.”

Lurn and Singal Have Knowingly Violated the Law

66. On October 26, 2021, FTC staff sent a letter to Lurn via its registered agent along with copies of documents entitled “Notice of Penalty Offenses Concerning Money-Making Opportunities and Notice of Penalty Offenses Around Endorsements and Testimonials.” The letter and Notices identified specific acts or practices that the FTC has determined are unfair or deceptive under Section 5 of the FTC Act. Lurn’s registered agent received the letter and Notices on October 27, 2021.

67. As detailed in the Notices enclosed with the letters, in a series of litigated decisions the FTC determined that it is an unfair or deceptive trade practice to make false,

misleading, or deceptive representations concerning the profits or earnings that may be anticipated by a participant in a money-making opportunity (i.e., a person who has been accepted or hired for, has purchased, or otherwise is engaging in the money-making opportunity).

68. As the Notices stated, in a series of litigated decisions issued in the cases cited in the Notices, the FTC determined, among other things, that it is an unfair or deceptive trade practice to make false, misleading, or deceptive representations concerning the profits or earnings that may be anticipated by a participant in a money-making opportunity. The Notices warned Defendants of their potential liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), for knowingly engaging in acts or practices determined by the Commission to be unfair or deceptive and unlawful. The Notices stated, among other things, that it is an unfair or deceptive practice to:

- “make false, misleading or deceptive representations concerning the profits or earnings that may be anticipated by a participant in a money-making opportunity;
- represent, explicitly or implicitly, the earnings which may be secured by participants, when the representation is made without knowledge, or with only limited knowledge, of the actual profits or earnings usually and ordinarily received by participants; and
- misrepresent, explicitly or implicitly, that sales of a money-making opportunity will be made to only a limited number of prospective participants. . . when sales will be made to any person who is willing and able to pay.”

Nonetheless, Lurn and Singal continued to make misleading or deceptive representations after receiving these notices.

69. On May 20, 2022, FTC staff sent Lurn and Singal Civil Investigative Demands (“CIDs”) seeking documents and information pertaining to the marketing and sale of investment

opportunities in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and in violation of the FTC’s Notice of Penalty Offenses Concerning Money-Making Opportunities and Concerning Deceptive or Unfair Conduct around Endorsements and Testimonials. The CIDs stated that the FTC was investigating Lurn and related parties engaged in deceptive or unfair conduct and attached copies of the notices referenced above. FTC staff served the CIDs and Notices on Lurn through counsel on May 20, 2022.

70. In fact, Lurn and Singal have known for years that their conduct violates the law. For example, as early as May 29, 2019, Singal posted an interview entitled “10 Legal Things Every Entrepreneur Needs to Stay Out of Trouble!” on his YouTube channel. The interview contained hyperlinks to Lurn’s e-commerce offers.

71. In the interview, Singal and an attorney discussed several potential law violations, including “[o]verpromising the amount of earnings that people are likely to get. Giving, ugh, very unusual claims and holding them out as representative.”

72. When Singal asked whether it was permissible to share success stories in advertising and marketing, counsel responded: “You can tell their story if you are super clear about how unusual it is, and the FTC is also going to want you to alongside it give an example of what the usual outcome is. . . .”

73. In February 2021, before receiving the Notices, when discussing compliance with FTC law in the company’s Slack channel, Lurn’s Copy Chief complained about struggling to make testimonials and typicality claims that comply with the law. He stated that the testimonials used in the webinar for Printable Profits were not real, and a Lurn marketing employee added, “I

hate to say it, but typical results will suck for all programs. Typically, people don't do anything, and get no results.”

74. On December 2, 2021, after receiving the Notices, as seen in the image below, Lurn launched a new “Insider Alert” for one of its e-commerce programs, the Copywriting Academy. This alert was specifically related to the Notices the FTC had distributed in October 2021. The alert promised to share guidance on “the recent FTC letter that went out to over 1,000 online business. . . ”

75. A twenty-two slide PowerPoint presentation was distributed for this Insider Alert. As seen in the images below, the presentation discussed compliance with the FTC Act and the Notices sent out earlier that year.



76. Lurn gave its customers extensive advice on how to market and sell their products without violating the FTC Act or the content of the Notices. Among other things, Lurn provided the following compliance advice:

- “You cannot make any representation of potential profitability of earnings without any knowledge of the actual earnings or profits usually and ordinarily received by participants.”
- “You cannot misrepresent, explicitly or implicitly, that the average amount of earnings or profit are ordinary, typical or average profits without also. . . .
 - Disclosing the # and % of participants who make these earnings. . .
 - Disclosing the earnings or profits that actually ARE typical and ordinary[.]”
- “You cannot misrepresent, explicitly or implicitly, that sales will be made only to a limited number of participants if they are in fact made to anyone able and willing to pay.”

77. Lurn also told consumers that it is, “Not enough to just label as ‘not typical’ must also report what are typical results,” And “Put in place a way to make it easier to track student results.”

78. Notwithstanding the lengthy training on how to comply with FTC law, Lurn advised its customers at the end of the presentation: “Legal doesn’t sell – never simply write ‘compliant copy.’”

79. Despite learning of the FTC’s investigation, and despite receiving the Notices and even providing advice to their customers based on the Notices, Lurn and Singal have continued to make false or unsubstantiated earnings claims, and misleading claims, including through testimonials.

80. 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.

VIOLATIONS OF THE FTC ACT

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

82. 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)

83. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of e-commerce programs, Defendants represent, directly or indirectly, expressly or by implication, that purchasers of Defendants’ programs are likely to earn substantial income.

84. Defendants’ representations set forth in Paragraph 83 are false, misleading, or were not substantiated at the time the representations were made.

85. Therefore, the making of the representations, as set forth in Paragraph 83 of this Complaint, constitutes 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

86. In 1994, 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. The FTC adopted the original TSR in 1995, extensively amended it in 2003, and amended certain sections thereafter. 16 C.F.R. Part 310.

87. Defendants are “seller[s]” or “telemarketer[s]” engaged in “telemarketing” as defined by the TSR, 16 C.F.R. § 310.2(dd), (ff), and (gg).

88. Defendants’ goods and services, including Defendants’ trade recommendation services, are “Investment opportunit[ies]” as defined in the TSR, 16 C.F.R. § 310.2(s). The TSR defines an “Investment opportunity” as “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.” 16 C.F.R. § 310.2(s).

89. 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.” 16 C.F.R. § 310.3(a)(2)(vi).

90. 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 the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer.” 16 C.F.R. § 310.3(a)(2)(iii).

91. The TSR prohibits sellers and telemarketers from “[m]aking a false or misleading statement to induce any person to pay for goods or services. . . .” 16 C.F.R. § 310.3(a)(4).

92. The TSR applies to “[c]alls initiated by a customer or donor in response to an advertisement relating to investment opportunities, debt relief services, business opportunities other than business arrangements covered by the Franchise Rule or Business Opportunity Rule,

or advertisements involving offers for goods or services described in § 310.3(a)(1)(vi) or § 310.4(a)(2) through (4). . . ” 16 C.F.R. § 310.6(b)(5)(i).

93. 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 – TSR Violations

(Lurn and Singal)

94. In numerous instances, in connection with telemarketing, Defendants Lurn and Singal mispresent, directly or by implication, material aspects of investment opportunities, including, but not limited to the earnings potential or profitability of Defendants’ programs.

95. Lurn and Singal’s acts and practices, as described in Paragraph 94 violate the TSR prohibition on misrepresenting any material aspect of an investment opportunity, 16 C.F.R. § 310.3(a)(2)(vi).

96. Lurn and Singal’s acts and practices, as described in Paragraph 94, also violate the TSR prohibition on misrepresenting any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer, 16 C.F.R. § 310.3(a)(2)(iii).

97. Lurn and Singal’s acts and practices, as described in Paragraph 94, also violate the TSR prohibition on making a false or misleading statement to induce any person to pay for goods or services, 16 C.F.R. § 310.3(a)(4).

**VIOLATIONS OF PRIOR COMMISSION DETERMINATIONS CONCERNING
UNFAIR OR DECEPTIVE ACTS OR PRACTICES**

98. Pursuant to Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), if the Commission has determined in a proceeding under Section 5(b) of the FTC Act, 15 U.S.C. § 45(b), that an act or practice is unfair or deceptive and issued a final cease and desist order, other than a consent order, with respect to the act or practice, then a person, partnership, or corporation that engages in such act or practice with actual knowledge that such act or practice is unfair or deceptive and is unlawful under Section 5(a)(1) of the FTC Act shall be liable under the FTC Act for such relief as may be appropriate.

99. In prior litigated decisions the Commission has determined that the acts or practices described in Paragraphs 67-68, above, are unfair or deceptive and violate Section 5(a)(1) of the FTC Act and issued final cease and desist orders, other than consent orders, with respect to those acts or practices.

**Count III – Violations of Prior Commission Determinations Known to Defendants
(Lurn and Singal)**

100. As set forth in Paragraphs 66 to 78, at least since receiving the letter and Notices, Lurn and Singal had actual knowledge that, in connection with the advertising or promotion of money-making opportunities, making false, misleading, or deceptive earnings claims is an unfair or deceptive act or practice, unlawful under Section 5(a)(1) of the FTC Act.

101. In numerous instances, as set forth in Paragraphs 17 to 78, Lurn and Singal represent, directly, or indirectly, expressly or by implication, that purchasers of Defendants' e-commerce programs are likely to make substantial profits.

102. In truth and in fact, in numerous instances in which Lurn and Singal made the representations set out in Paragraph 101, purchasers of Defendants' e-commerce programs were not likely to make substantial profits.

103. Lurn and Singal engage in the acts and practices described in Paragraphs 100 to 101 with the actual knowledge, as set forth in Paragraph 100, that in prior litigated decisions the Commission has determined that the acts or practices are unfair or deceptive and violate Section 5(a)(1) of the FTC Act and issued final cease and desist orders, other than consent orders, with respect to those acts or practices.

CONSUMER INJURY

104. 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. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

PRAYER FOR RELIEF

Wherefore, Plaintiff requests that the Court:

- A. Enter a permanent injunction to prevent future violations of the FTC Act and TSR by Defendants;
- B. Grant preliminary injunctive and ancillary relief;
- C. Award monetary and other relief against Defendants Lurn and Singal in accordance with Section 19 of the FTC Act, 15 U.S.C. § 57b;
- D. Award any additional relief as the Court determines to be just and proper.

Respectfully submitted,

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