

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND
NORTHERN DIVISION

FEDERAL TRADE COMMISSION, 600
Pennsylvania Avenue, N.W., Washington, DC
20580

Plaintiff,

v.

AGORA FINANCIAL, LLC, 808 St. Paul Street,
Baltimore, MD 21202, Baltimore City,

NEWMARKET HEALTH, LLC, 16 West
Madison Street, Baltimore, MD 20201, Baltimore
City,

NEWMARKET HEALTH PUBLISHING, LLC,
819 North Charles Street, Baltimore, MD 21201,
Baltimore City,

HEALTH SENSE MEDIA, LLC, 808 St. Paul
Street, Baltimore, MD 21202, Baltimore City,

HEALTH SENSE PUBLISHING, LLC, 808 St.
Paul Street, Baltimore, MD 21202, Baltimore
City,

DR. RICHARD GERHAUSER, individually,
6430 N. Silversmith Place, Pima, AZ, 85750 and

ZACHARY SCHEIDT, individually, 2871
Amesbury Place, NW 15, Kennesaw, GA, 30144

Defendants.

Case No. _____

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

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

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain preliminary and permanent injunctive relief, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with the marketing and sale of financial and health-related newsletters, publications, and subscription services.

JURISDICTION AND VENUE

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

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

PLAINTIFF

4. 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.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act 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).

DEFENDANTS

6. Defendant Agora Financial, LLC (“Agora Financial”) is a Maryland corporation with its principal place of business at 808 St. Paul Street, Baltimore, Maryland 21202. Agora Financial transacts or has transacted business in this District and throughout the United States.

7. Defendant NewMarket Health, LLC (“NewMarket Health”) is a Maryland corporation with its principal place of business at 16 West Madison Street, Baltimore, Maryland 21201. NewMarket Health transacts or has transacted business in this District and throughout the United States.

8. Defendant NewMarket Health Publishing, LLC (“NewMarket Health Publishing”) is a Maryland corporation with its principal place of business at 819 North Charles Street, Baltimore, Maryland 21201. NewMarket Health Publishing transacts or has transacted business in this District and throughout the United States.

9. Defendant Health Sense Media, LLC (“Health Sense Media”) is a Maryland corporation with its principal place of business at 808 St. Paul Street, Baltimore, Maryland 21202. Health Sense Media transacts or has transacted business in this District and throughout the United States.

10. Defendant Health Sense Publishing, LLC (“Health Sense Publishing”) is a Maryland corporation with its principal place of business at 808 St. Paul Street, Baltimore, Maryland 21202. Health Sense Publishing transacts or has transacted business in this District and throughout the United States.

11. Defendant Dr. Richard Gerhauser is the Editor-in-Chief of Natural Health Response, a health-related newsletter published by Health Sense Media, and a member of the

Health Sciences Institute Advisory Board, an affiliate of Agora Financial. At all times material to this Complaint, acting alone or in concert with others, Gerhauser has formulated, directed, controlled, had the authority to control, or participated in the acts and practices described in Paragraphs 16-17 and 23-56 of this Complaint. Dr. Gerhauser transacts or has transacted business in connection with the matters alleged herein in this District and throughout the United States.

12. Defendant Zachary Scheidt is the Chief Income Analyst for Agora Financial and an editor for several Agora Financial publications, including *Lifetime Income Report*. At all times material to this Complaint, acting alone or in concert with others, Scheidt has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth Paragraphs 18-19 and 64-101 of this Complaint. Scheidt transacts or has transacted business in connection with the matters alleged herein in this District and throughout the United States.

COMMERCE

13. 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 PRACTICES

14. Defendants publish financial and health-related newsletters, books, and subscription services.

15. Many of Defendants’ products purport to provide health advice and moneymaking tips specific to senior citizens or retirees.

16. Since at least December 2018 and continuing to the present, Defendants Agora Financial, NewMarket Health, NewMarket Health Publishing, Health Sense Media, Health Sense Publishing, and Dr. Richard Gerhauser (collectively, the “Reverse Diabetes Defendants”) have advertised, marketed, promoted, offered for sale, sold, published or distributed *The Doctor’s Guide to Reversing Diabetes in 28 Days* (“*The Doctor’s Guide*”) to consumers.

17. *The Doctor’s Guide* is a compilation of 11 pamphlets, totaling under 100 pages, authored by Dr. Richard Gerhauser. Reverse Diabetes Defendants advertise *The Doctor’s Guide* as a simple, doctor-guided, and scientifically proven protocol that can permanently cure type 2 diabetes in 28 days, without requiring dietary changes or exercise.

18. Since at least January 2018 and continuing to the present, Defendants Agora Financial and Zachary Scheidt (collectively, the “Congressional Checks Defendants”) have advertised, marketed, promoted, offered for sale, sold, published, and distributed *Lifetime Income Report* and *Congress’ Secret \$1.17 Trillion Giveaway* to consumers.

19. *Lifetime Income Report* is a monthly financial newsletter published by the Congressional Checks Defendants. *Congress’ Secret \$1.17 Trillion Giveaway* is a book authored by Zachary Scheidt, and published by the Congressional Checks Defendants. In connection with advertisements for the sale of these products, Congressional Checks Defendants have claimed that consumers are legally entitled to collect hundreds to thousands of dollars in “Congressional Checks” or “Republican Checks.”

BACKGROUND INFORMATION ON DIABETES

20. Diabetes occurs when a person’s blood glucose, sometimes referred to as blood sugar, is higher than what is considered safe. Insulin performs the critical job of moving

glucose from the bloodstream to the body's cells. Changes in the production of insulin or the action of insulin can lead to diabetes. Type 1 and type 2 diabetes are the most common forms of this disease. Type 1 diabetes occurs when the immune system destroys the insulin-producing beta cells in the pancreas resulting in a nearly complete loss of insulin. With beta cells destroyed, glucose builds up in the blood stream. Type 1 diabetes must be treated with insulin. In type 2 diabetes, insulin's action is impaired. Type 2 diabetes starts with insulin resistance, where the body needs higher levels of insulin to move glucose from the blood stream in the cells. Initially, the pancreas increases insulin production to meet demand; over time, however, the pancreas cannot make enough insulin, and blood glucose levels rise. The causes of type 2 diabetes are well understood and include genetics and obesity.

21. As of 2015, it is estimated that 30.3 million people in the United States (9.4 percent of the population) have diabetes.

22. Diabetes can be treated, but cannot be cured. Some type 2 diabetics can control their blood sugar by losing weight, making healthy food choices, and exercising. However, many type 2 diabetics also require a diabetes drug treatment, such as insulin. Type 2 diabetes is a progressive disease; over time, patients may need multiple medications.

**REVERSE DIABETES DEFENDANTS' MARKETING OF THEIR
28 DAY TYPE 2 DIABETES CURE**

23. Since at least December 2018 and continuing to present, Reverse Diabetes Defendants have advertised a purported 28-day cure for type 2 diabetes.

24. Reverse Diabetes Defendants make this cure claim in connection with online advertisements and promotional materials for their pamphlets, collectively *The Doctor's Guide*.

25. Reverse Diabetes Defendants primarily, if not exclusively, disseminate advertisements for *The Doctor's Guide* online, through email distribution lists, online newsletters, affiliate networks, and their own websites.

26. In their advertisements, Reverse Diabetes Defendants expressly target consumers with type 2 diabetes, claiming to have information about a “brand new” scientifically proven treatment that promises to reverse the disease in 28 days. For example, Agora Financial’s email advertisements contain the following statements and representations, among others:¹

Excuse me for being forward, but can I ask you a personal question? Do you suffer with **Type 2 diabetes**? Have you been diagnosed with **prediabetes**? Or maybe your doctor has told you **to keep an eye on your blood sugar**. Well, if you answered **yes** to any of those questions, then I have **good news** for you today....Because after 37 years in practice, I recently discovered a simple, at-home treatment for Type 2 diabetes. And no, it has nothing to do with diet or exercise. It doesn't involve a single drug either. Yet this new treatment is scientifically proven to **reverse every symptom of your diabetes in 28 days**. Let me repeat: **This brand-new treatment will reverse your diabetes just four weeks from today**. Without changing your diet, spending a minute in the gym or taking a single drug.

27. NewMarket Health Publishing also advertised *The Doctor's Guide* as a “simple, **3-step protocol**” “[t]o **reverse every symptom of Type II Diabetes...**” Likewise, Health Sense Publishing promised consumers in email advertisements that *The Doctor's Guide* is “the only place where you’ll learn about the 28-day treatment to **reverse Type II Diabetes....**”

28. Reverse Diabetes Defendants direct consumers who click on their advertisements to an hour-long video presentation. The video, titled “Dr. Richard Gerhauser, M.D. presents: **How to Reverse Type II Diabetes in 28 Days**,” is hosted on NewMarket Health’s website and

¹ Defendants frequently use ellipses and bolded, underlined, italicized, or other emphasized text in their advertisements and promotional materials, which have been replicated herein.

features Dr. Gerhauser. The video is copyrighted to Health Sense Media and features a header in the top center of the screen, stating: “Shocking study shows 100% cure rate. Stay on this page for details.”

29. If a consumer attempts to click out of the video, a pop-up ad appears warning, “Wait! By clicking out of this page, you’ll forfeit the chance to learn about this powerful solution for your health. Click Watch Video to continue watching. Or click Read Transcript to read about this solution instead.” Consumers must watch the video or scroll to the bottom of the transcript in order to purchase *The Doctor’s Guide*. The transcript is also copyrighted to Health Sense Media.

30. Both the video and transcript contain the same representations regarding *The Doctor’s Guide*.

31. In both the video and transcript, Reverse Diabetes Defendants state that “mainstream solutions” to type 2 diabetes such as dietary changes and exercise are making consumers’ diabetes worse.

32. According to the video and transcript, “[e]veryone – from the CDC and the World Health Organization, to the highest forms of our US government—are getting it completely wrong,” believing that by “eating the right foods, or spending 30 minutes a day at the gym,” consumers can effectively manage their diabetes.

33. Instead, Reverse Diabetes Defendants claim, there is a “shocking, hidden cause of Type II diabetes”—that is, exposure to everyday electronic devices like computers, televisions and cell phones. According to Reverse Diabetes Defendants, these electronic devices emit

Non-Ionizing Radiation (“NIR”), which, in turn, causes diabetes. Reverse Diabetes Defendants make the following representations and depictions in the video and transcript:

You’re about to hear how certain items around your home, in the office, and even in the gym are slowly destroying your body’s ability to make insulin...causing your blood sugar to fly out of whack...And eventually leading to diabetes.

* * *

“NIR” exposure alone could turn healthy children into Type II Diabetics. And it could be doing the exact same thing to you.

* * *

What you're about to hear will shock you. You might even write it off as a hoax.

In fact, at first, I didn't believe it myself...

But give me just 2 minutes to show you the undeniable scientific proof... the same proof that convinced me **this is real...** and allow you to decide for yourself.

Are you ready? Here goes...

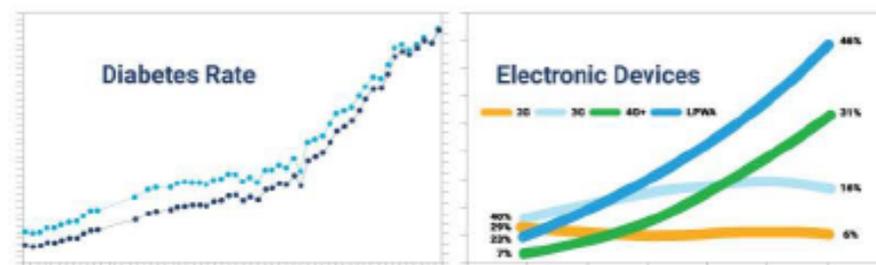
A shocking new study from leading health journal – Informa Healthcare – reports that many modern-day devices...

Like...

Your TV, your cell phone, even the computer screen you’re watching now... can slowly – and silently – cause Type II Diabetes

Impossible?

Take a look at these two charts...



* * *

[NIR] “turns off” insulin production...Meaning: your body has no way of cleaning excess sugar out of your blood. So, even if you ate nothing but spinach and kale, you’d still end up with high blood sugar. That’s why I say diabetes has NOTHING to do with how much sugar you eat. Instead, it’s a simple problem of not creating enough insulin...caused by exposure to “NIR.”

* * *

34. Reverse Diabetes Defendants reiterate their claims about this alleged “hidden” cause of type 2 diabetes in their email advertisements. For example, Health Sense Publishing claimed in an email advertisement that *The Doctor’s Guide* reveals “the **shocking, ‘hidden’ cause** most doctors aren’t even testing for.” NewMarket Health Publishing also claimed that “most doctors don’t test for this hidden cause” and that the hidden cause is “**the real reason why diabetes has skyrocketed** in America.”

35. Reverse Diabetes Defendants claim that their protocol, which is contained in *The Doctor’s Guide*, cures type 2 diabetes and its symptoms in 28 days—guaranteed—by reversing the effects of NIR exposure.

36. For example, Reverse Diabetes Defendants make the following representations in their video and transcript, among others:

Imagine...just 4 weeks from today...finally being declared “diabetes free”
Imagine...walking into your doctor’s office...Waiting patiently as he runs every blood test under the sun...Feeling calm and relaxed as he looks over your results. Telling you...“Your diabetes is gone. I’m not sure what you’re doing but, whatever it is, keep doing it.” *And, please, let me be 100% clear. I’m talking about numbers your doctor can easily measure, like your fasting glucose levels, hemoglobin A1C, cholesterol, and triglycerides.* So you and your doctor both know... your diabetes is gone for good. Then you can throw your glucose monitor in the trash...stop taking a diabetes pill every day...and never spend another dime on test strips. Friend, this is **completely revolutionary...**
For the first time in history, we’re no longer talking about masking your symptoms...or temporarily managing your blood sugar levels. But actually reversing every symptom of Type II Diabetes – in just 28 days.

* * *

Remember: this is the same 3-step protocol I use with patients.
And it has a 100% success rate.

Meaning, I personally **guarantee** – if you follow all 3 steps I’m about to reveal – your diabetes will be gone just 28 days from today.

* * *

Imagine how you'll feel when your doctor tells you, "*your diabetes is gone.*" Now imagine hearing those words just 28 days from today... Take out a calendar, flip exactly 4 weeks from today, and circle the date. That's EXACTLY when you'll finally be free from Type II Diabetes.

* * *

My 3-step protocol is specifically designed to reverse the effects of this new type of radiation.

* * *

I've made it my life mission to help people – rather than chasing every last dollar. And it's why I'm putting my career on the line to share this with you today. You see, as I mentioned earlier, I developed a simple 3-step "protocol" to **reverse Type II Diabetes in 28 days**. It's specifically designed to **protect** you from "NIR"...[boost your insulin production...]and "**reset**" your body's ability to process insulin.

* * *

Can this new treatment really reverse Type II Diabetes in 28 days?

Without diet, exercise, or a single drug?

Sure, it sounds impossible...

But, according to a new study from the University of Kansas, it's true...

37. Reverse Diabetes Defendants also claim that *The Doctor's Guide* does not require dietary changes or restrictions. For example, they make the following representations and statements in their video and transcript, among others:

I'm going to show you a simple plan – which you can do in the comfort of your own home...**[t]hat reverses every symptom of your diabetes in 28 days**. No, **[i]t has nothing to do with changing your diet or exercising more**.

* * *

I'll show you exactly how to get rid of this "hidden" root cause of diabetes – using a simple, 3-step protocol – allowing you to **relax and enjoy your life**...[w]ithout giving up the foods you love or spending a single minute in the gym.

* * *

What's the first thing you'll do when your diabetes is gone? Will you go out to your favorite restaurant and **enjoy a big stack of pancakes loaded with syrup** – never worrying about what it's doing to your blood sugar? Will you **visit your grandkids** – surging with natural, "all day" energy to chase them around the yard? Will you take that **tropical vacation** you've always dreamed of – since you're no longer tied up with doctor's appointments... Or maybe you'll simply **relax with your wife** – without painful finger pricks or annoying glucose tests getting in the way. Now I know... that sounds like a pipe dream. And you're right to be skeptical. But, as a Medical Doctor with over 37 years' experience, I

guarantee...if you read this report to the end...[a]nd follow the simple instructions I'm about to give you...[j]ust **28 days** from now, that dream can be your reality.

38. Agora Financial also made the following statements and representations in email advertisements to consumers:

How to Reverse Diabetes Without Dieting. Sure, it sounds impossible, but according to a new Study from the University of Kansas, it's true... On Tuesday, December 11th at 1:00pm EST my colleague Dr. Richard Gerhauser, M.D. will reveal every step of this brand-new treatment with you. You'll hear exactly how it works, he'll walk you through every step of this simple protocol, and, finally, he'll share exactly how you can start using this treatment – today. Space for this webinar is extremely limited, so if you're interested in learning this 28-day plan to cure Type II Diabetes– I urge you to claim your spot now.

Shocking new “protocol” reverses Type II Diabetes in 28 days.

Dear Tech Profits Reader,

Can this new treatment really reverse Type II Diabetes in 28 days? Without diet, exercise, or a single drug? Sure, it sounds impossible... But, according to a new Study from the University of Kansas, it's true... On Tuesday, December 11th at 1:00pm EST my colleague Dr. Richard Gerhauser, M.D. will reveal every step of this brand-new treatment with you. You'll hear exactly how it works... he'll walk you through every step of this simple protocol... and, finally, he'll share how you can start using this treatment today. And again, it involves no expensive drugs, no strict diets, and not a single minute of exercise. If you suffer from Type II Diabetes, please join him for this live event.

39. Reverse Diabetes Defendants also claim that *The Doctor's Guide* is supported or otherwise validated by various scientific studies and research, including studies from the University of Kansas; the *International Journal of Environmental Research and Public Health*; Informa Healthcare; *Diabetes, Obesity, and Metabolism*; and other unidentified sources.

40. According to Reverse Diabetes Defendants, the protocol contained in *The Doctor's Guide* cures type 2 diabetes with natural ingredients such as “Himalayan Silk,” “Epsom Blue,” and “Chromanite,” as well as various “Non-Ionizing Radiation blockers.”

41. Reverse Diabetes Defendants indicate that these items are difficult to obtain, claiming that they will reveal “**the only place**” to get Himalayan Silk, and the “best place” to get Epsom Blue.

42. Reverse Diabetes Defendants state that Himalayan Silk, the first step in their protocol, works by “activating the pancreas...allowing it to pump insulin in to the blood stream.” Reverse Diabetes Defendants tell consumers to “[t]hink of [Himalayan Silk] as an **all-natural ‘jumpstart’**...[r]evving up your body’s ability to create insulin...[c]leaning excess sugar out of your body...And completely reversing Type II Diabetes in just 28 days.”

43. Reverse Diabetes Defendants also make the following representations and depictions concerning Himalayan Silk, among others:

Imagine how you’ll feel when your doctor tells you, “*your diabetes is gone*”

Now imagine hearing those words just 28 days from today...

Take out a calendar, flip exactly 4 weeks from today, and circle the date. That’s EXACTLY when you’ll finally be free from Type II Diabetes.

Friend, does it feel like you just got a second chance?

A second chance to live the life you’ve always wanted – the life you deserve.

That’s exactly what I want for you today... and what you’ll get when you discover the power of Himalayan Silk for yourself.

44. Reverse Diabetes Defendants tout “Epsom Blue” and “Chromanite” as “Sugar Companions,” the second step in their protocol. They state that Epsom Blue, a natural molecule, is the “key that unlocks the insulin receptors” in the body, “forcing them to open up

and accept sugar again” while “Chromanite” forces cells to “open up,” accept insulin, and “start cleaning sugar” out of the bloodstream.

45. Reverse Diabetes Defendants claim that together Chromanite and Epsom Blue “work in perfect harmony” to reset insulin sensitivity, “clean[] glucose” out of the blood stream and “completely revers[e] diabetes.”

46. The final step in Reverse Diabetes Defendants’ protocol and the “one final thing” they claim consumers “need to make sure [they] truly reverse [their] diabetes...and make sure it never comes back” are “Non-Ionizing Radiation blockers.”

47. According to Reverse Diabetes Defendants, there are paints, window coverings, cell phone cases, and computer cases that “block” NIR.

48. Reverse Diabetes Defendants further state that these NIR blockers “work like a shield” to deflect NIR and ““diabetes proof” your entire body – without changing your lifestyle at all.”

49. Reverse Diabetes Defendants claim they have “several more easy tips” in *The Doctor’s Guide* that will limit consumers’ exposure to NIR to “make sure you reverse your diabetes – for good” in 28 days.

50. Reverse Diabetes Defendants reiterate that with Himalayan Silk, Epsom Blue and Chromanite, and the “simple tips to avoid NIR exposure,” consumers will “finally have everything [they] need to defeat the root cause of diabetes,” “allowing [them] to reverse virtually every symptom of [] diabetes – in just 28 days.”

51. Consumers who attempt to research Himalayan Silk, Epsom Blue, or Chromanite online, including how to find or purchase them, dosage suggestions or other instructions, only

find references to these products on Reverse Diabetes Defendants' websites, which redirects consumers to purchase *The Doctor's Guide*. Consumers cannot purchase *The Doctor's Guide* at any store because it is only available on Reverse Diabetes Defendants' website.

52. Reverse Diabetes Defendants typically charge consumers \$249.00 for *The Doctor's Guide*. Reverse Diabetes Defendants claim that this represents a "\$750 discount," as ordinarily, patients would pay \$1,000 to receive the advice contained in *The Doctor's Guide*.

53. Consumers who purchase *The Doctor's Guide* are able to view and download it immediately on Reverse Diabetes Defendants' website.

54. Contrary to Reverse Diabetes Defendants' advertising claims, *The Doctor's Guide* involves several dietary changes or restrictions, including intermittent fasting (*i.e.*, waiting at least 12 hours between dinner and breakfast), a low-carbohydrate diet, grass-fed meats, and avoiding high-glycemic foods, such as white bread, bagels, and some fruits including melons and pineapple.

55. In *The Doctor's Guide*, Reverse Diabetes Defendants also reveal for the first time that Himalayan Silk is actually mulberry extract, Epsom Blue refers to magnesium, and Chromanite is chromium. Each of these products is an over-the-counter supplement readily available in stores and online.

56. In *The Doctor's Guide*, Reverse Diabetes Defendants recommend that consumers purchase special filters to mitigate the "dirty electricity" from NIRs. It also tells consumers to "[a]void all smart appliances, vehicles, or other products with an [radio-frequency identification] chip," disable Wi-Fi in their homes, turn off electronic appliances when not in use, and use shielding cases on their phones and computers, among other things.

57. Mulberry extract alone or in combination with magnesium or chromium does not cure, treat, or mitigate type 2 diabetes.

58. Magnesium alone or in combination with mulberry extract or chromium does not cure, treat, or mitigate type 2 diabetes.

59. Chromium alone or in combination with mulberry extract or magnesium does not cure, treat, or mitigate type 2 diabetes.

60. NIR, or exposure to electronic devices, does not cause type 2 diabetes.

61. Non-Iodizing Radiation “blockers,” as described in Paragraphs 46-48 and 56 above, will not prevent, cure, treat, or mitigate type 2 diabetes above.

62. Avoiding certain electronic devices or engaging in any of the activities described in Paragraph 56 alone or in conjunction with mulberry extract, magnesium and chromium, will not prevent, cure, treat, or mitigate type 2 diabetes.

63. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that the Reverse Diabetes Defendants are violating or are about to violate laws enforced by the Commission.

CONGRESSIONAL CHECKS DEFENDANTS’ MARKETING OF CONGRESSIONAL CHECKS AND REPUBLICAN CHECKS

64. Since at least January 2018, and continuing to present, Congressional Checks Defendants have claimed that consumers are legally entitled to hundreds to thousands of dollars per month in “Congressional Checks” or “Republican Checks.”

65. Before October 2018, Congressional Checks Defendants referred to these payouts as Congressional Checks. In or about October 2018, they started to refer to them as Republican

Checks. In many instances, Congressional Checks Defendants make the same representations about Congressional Checks and Republican Checks.

66. Congressional Checks Defendants market Congressional and Republican Checks in connection with advertisements and promotional materials related to their monthly financial newsletter, *Lifetime Income Report*, and their book, *Congress' Secret \$1.17 Trillion Giveaway*.

67. Congressional Checks Defendants primarily, if not exclusively, advertise Congressional Checks and Republican Checks online, through their e-mail distribution lists, online newsletters, Internet banner ads, affiliate networks, and their own websites.

68. These online advertisements prompt consumers to learn how to “claim” their Congressional Checks or Republican Checks. For example, Congressional Checks Defendants’ advertisements contain the following statements and depictions, among others:

Claim Your “Congressional Check” by October 18th

Dear Reader,

In case you haven't heard yet, a small group of in-the-know Americans are now [collecting “Congressional Checks” of up to \\$6,235](#) each.

In fact, there is \$1.17 Trillion at stake thanks to section 199A of Trump's new tax law.

And if you follow the instructions on the next page, you could [add your name to the list](#), too.

But if you do not act by the October 18th deadline, you will miss out on the next check, and... ***your money will be sent to somebody else.***

It would be foolish to let that happen. Especially since it's so easy to start collecting these checks. [See how to put your name on the list here.](#)

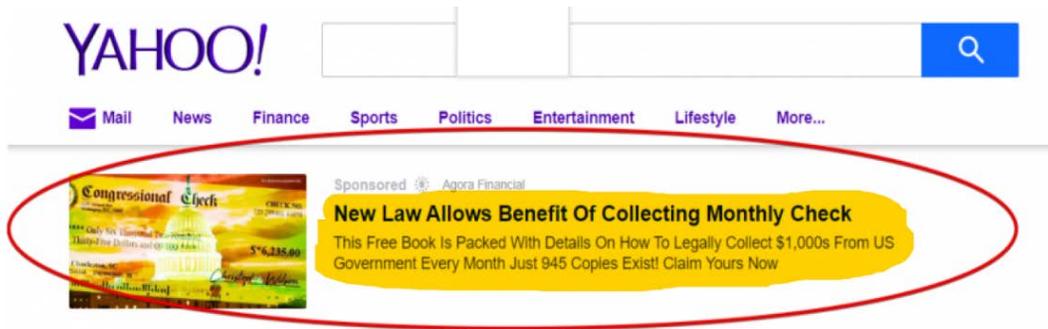
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69. Like the advertisements for *The Doctor's Guide*, Congressional Checks Defendants direct consumers who click on their online advertisements for Congressional Checks or Republican Checks to an hour-long video. Zachary Scheidt purportedly narrates the video.

70. If a consumer attempts to click out of the video, a pop-up ad appears prompting the consumer either to continue watching the video or to read the transcript of the video. Both

the video and the transcript make the same representations. Consumers must watch the video or scroll down to the bottom of the transcript to purchase *Congress' Secret \$1.17 Trillion Giveaway*.

71. Congressional Checks Defendants announce at the beginning of both the video and transcript that, “[o]n December 15, 2017, lawmakers added a last-minute provision to the just-passed tax plan...[o]ne that could put an extra \$6235 or more in your pocket this month...[a]nd every month after that, if you choose.”

72. Congressional Checks Defendants further claim that most taxpayers “don’t even know about this little-known tax provision” because it “was buried in more than 500 pages of new tax rules.”

73. According to Congressional Checks Defendants, consumers are entitled to Congressional Checks or Republican Checks by law.

74. For example, Congressional Checks Defendants make the following representations:

[T]he law dictates that this pile of cash must be distributed! That’s not a question of if... It’s the law! These cash distributions are contractually required by the U.S government... So if you don’t collect someone else will.”

* * *

There’s \$1.17 trillion at stake...ready to be distributed...as the law dictates.

* * *

We’re talking about as much as \$1.17 trillion at stake...every year! That’s the Equivalent of \$3.2 billion being paid out every day...And \$133.5 million paid out EVERY HOUR. Like I mentioned, that cash must be paid out by law.

75. Congressional Checks Defendants explain that these Congressional Checks and Republican Checks were made available to taxpaying consumers by Section 199a of the 2017 Tax Cuts and Jobs Act.

76. Congressional Checks Defendants claim that “Bloomberg called [this provision] a **multimillion-dollar windfall**” and that the former chief of staff of Congress’ Joint Committee on Taxation claimed it was “a complete giveaway.”

77. Congressional Checks Defendants tell consumers that several members of Congress are already taking advantage of this “loophole” and collecting thousands to millions of dollars.

78. In order for everyday consumers to collect their own Congressional Checks or Republican Checks, Congressional Checks Defendants tell consumers they “just need to add [their] name to the list of check payees.”

79. Congressional Checks Defendants make the following representations and statements, among others:

You just need to add your name to the list of check payees before October 18th...[b]ecause according to the law, if you don’t act by the predetermined date, ‘you will not collect the next payment.’

* * *

As you’re about to see, this couldn’t be easier. Anyone can collect these checks. You just need to add your name to the list of check payees before October 18th.

* * *

As a taxpayer, nobody deserves this money more than you. Remember, this is wide open to the public. There is no income requirement. No age limit.

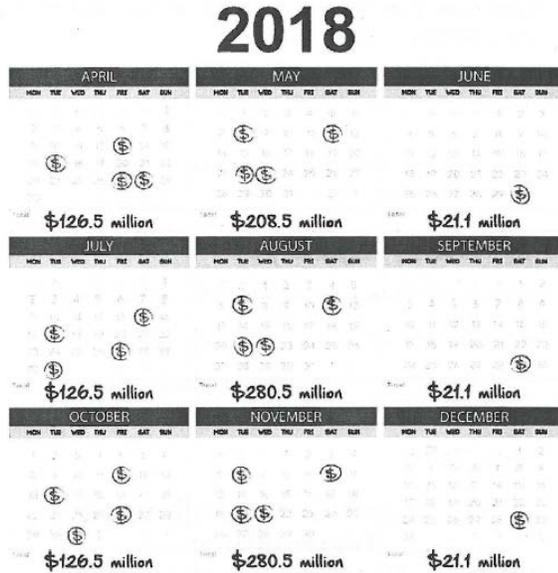
80. Congressional Checks Defendants’ advertisements indicate that any consumer, once on the list, can just claim their share of the \$1.17 trillion “ready to be distributed,” and that this money is available to taxpayers without any other prerequisite or risk.

81. Congressional Checks Defendants tell consumers that if they do not claim their check, their money will be sent to someone else. Moreover, they repeatedly state that consumers can claim their checks easily and with little effort.

82. Congressional Checks Defendants also make the following representations and depictions, among others:

I've already mapped out how much could be distributed in Congressional Checks in 2018...

Take a look...



As you can see, there are millions set to be distributed every single month.

* * *

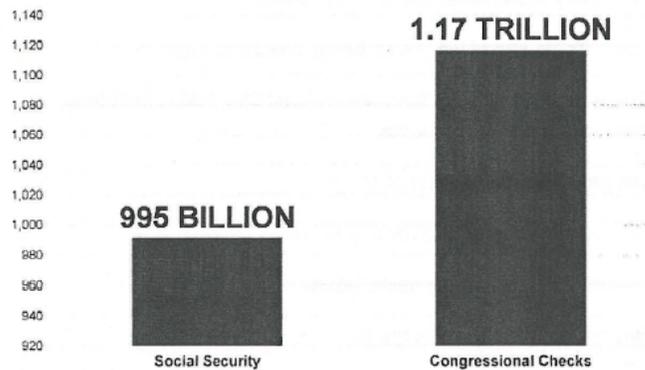
KING NEWS: Thanks to IRS Code Section 199A...

U.S. Taxpayers Could Collect a Total of \$1.17 Trillion in 2018

* * *

There's \$1.17 Trillion at Stake... Billions More Than What's Available Through Social Security

Take a look at this...



While the entire Social Security program paid a total of \$995 billion in benefits last year...

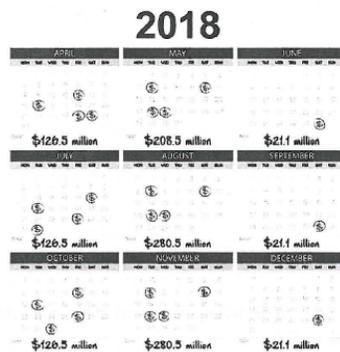
This year a total of \$1.17 trillion in Congressional Checks could be distributed to everyday taxpayers like you.

That's \$122 billion MORE than the government program.

And the law dictates that this pile of cash MUST be distributed!

* * *

I've already mapped out the biggest Congressional Checks for you...



If you follow my calendar, you could end up collecting thousands every single month.

I'm talking about multiple checks getting deposited to your account with little effort.

* * *

83. Through express statements, including purported consumer testimonials, Congressional Checks Defendants tell consumers that they can expect to collect hundreds to thousands of dollars, ranging from \$900 to over \$20,000, in Congressional or Republican Checks, every single month. They also claim that consumers can use Congressional Checks or Republican Checks “just a few days from now” to pay for their medical expenses, mortgage, or other bills.

84. For example, Congressional Checks Defendants make the following representations:

Act before October 18th, and YOU too could pocket \$939, \$6235 and even \$21,538 in extra income...this month and every month after that.

* * *

Kevin Larry, from Chicago.... [is] set to collect a massive check for \$44,577 this month. Imagine if that happened to you.

* * *

Harry F., an 88 year old retiree from San Francisco, says: “I’ve collected close to \$12,000. I’m using the extra income to pay my bills.”

* * *

People like Chris T., a 73 year old retiree from Colorado. He sent me a note saying that he already collected more than \$20,000 from what I’m calling “Republican Checks.” And because these are not one time payments... He’s not done yet. He’s set to collect another check for \$900 in the coming days.

* * *

85. In every testimonial presented by Congressional Checks Defendants, the purported consumer collected at least \$900 in Congressional or Republican Checks.

86. Congressional Checks Defendants often pair these testimonials with supposed images of the consumers holding checks with their names and the amounts they received in Congressional or Republican Checks printed on the check face.

87. Congressional Checks Defendants also depict images of the purported Congressional Checks and Republican Checks that consumers received.

88. In these images, “Congressional Check” or “Republican Check” is blazoned across the checks in large writing, and each check includes the seal of the U.S. Congress in the upper left corner of the check’s face. In some instances, they depict the U.S. Capitol building and United States flag in the background of the check. Congressional Checks Defendants make the following representations and depictions, among others:



89. In reality, the images of both the consumers and the checks are stock photos—available publicly online—that Congressional Checks Defendants edit to depict these “Congressional” or “Republican” Checks.

90. The Congressional Checks Defendants also claim that members of Congress are already “collecting millions” from Congressional Checks or Republican Checks. In earlier marketing materials, the Congressional Checks Defendants include a purported version of then Congressman Darrell Issa’s Financial Disclosure Report showing that he received a \$410,000 Congressional Check; in later versions, they included a purported Financial Disclosure Report showing that he received a \$410,000 Republican Check.

Filing ID #10015377



FINANCIAL DISCLOSURE REPORT

Clerk of the House of Representatives • Legislative Resource Center • 135 Cannon Building • Washington, DC 20515

FILER INFORMATION

Name: Hon. Darrell E. Issa
Status: Member
State/District: CA49

FILING INFORMATION

Filing Type: Annual Report

SCHEDULE A: ASSETS AND "UNEARNED" INCOME

Asset	Owner	Value of Asset	Income Type(s)	Income	Tx. > \$1,000?
			Congressional Check	\$410,000	

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SCHEDULE A: ASSETS AND "UNEARNED" INCOME

Asset	Owner	Value of Asset	Income Type(s)	Income	Tx. > \$1,000?
			Republican Check	\$410,000	

91. In reality, both images of Congressman Issa's report are doctored. Congressman Issa's actual Financial Disclosure Report is publicly available on the U.S. House of Representatives' website and there is no "Congressional" or "Republican" Check identified anywhere in the report.

92. Towards the end of the video and transcript, Congressional Checks Defendants claim that Congress could close the "loophole" creating the opportunity for Congressional Checks and Republican Checks if too many Americans take advantage of it.

93. Thus, Congressional Checks Defendants state, they do not "want this information to leak online" and would "like to reserve this information for a small group." They claim however, that all of the information about how to collect these checks are in Scheidt's book, "*Congress' Secret \$1.17 Trillion Giveaway.*"

94. *Congress' Secret \$1.17 Trillion Giveaway* is not available in bookstores. Consumers can only obtain a copy of this book by ordering it on Congressional Checks Defendants' website.

95. Congressional Checks Defendants claim the book is "free," but require consumers to pay a "small shipping fee of \$4.95."

96. Congressional Checks Defendants automatically enroll consumers who pay the \$4.95 shipping fee for this purportedly free book in their subscription newsletter, *Lifetime Income Report*.

97. Under the earlier "Congressional Checks" version of the marketing, consumers purportedly had 30 days to cancel before being charged \$99 for an annual subscription to *Lifetime Income Report*.

98. Under the “Republican Checks” version of the marketing, Congressional Checks Defendants charged consumers \$49 for an annual subscription to *Lifetime Income Report* immediately as a condition for receiving the book.

99. In fact, *Congress’ Secret \$1.17 Trillion Giveaway* does not provide instructions on how to obtain money from Congressional Checks or Republican Checks or how consumers can get on the “list of check payees.”

100. Instead, the book describes dividend investing. In it, Congressional Checks Defendants recommend that consumers buy shares in certain private entities that may pay out dividends to investors. In the book, they also admit that these private entities only pay dividends to investors under certain circumstances, if profitable, and mostly only on a quarterly basis.

101. In the book, Congressional Checks Defendants also state that the average yield for investing in these entities is 4%. To obtain hundreds to thousands of dollars in dividend payments, consumers would have to make substantial initial investments of tens of thousands to hundreds of thousands of dollars.

102. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Congressional Checks Defendants are violating or are about to violate laws enforced by the Commission.

VIOLATIONS OF THE FTC ACT

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

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

COUNT I

False or Unsubstantiated Efficacy Claims Regarding *The Doctor's Guide*

105. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of *The Doctor's Guide*, including through the means described in Paragraphs 23-56, Reverse Diabetes Defendants have represented, directly or indirectly, expressly or by implication, that:

- a. The protocol described in *The Doctor's Guide* will cure, treat, or mitigate type 2 diabetes or its symptoms;
- b. The protocol described in *The Doctor's Guide* does not require consumers to restrict or make changes to their diets;
- c. Supplements, including Himalayan Silk, Epsom Blue, and Chromanite, will, either alone or in combination, cure, treat, or mitigate type 2 diabetes or its symptoms;
- d. Type 2 diabetes is caused by NIR exposure;
- e. Consumers can prevent type 2 diabetes through the use of Non-Ionizing Radiation "blockers," or by otherwise avoiding NIR.

106. The representations set forth in Paragraph 105 are false, misleading, or were not substantiated at the time the representations were made.

107. Therefore, the making of the representations as set forth in Paragraph 105 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

False Establishment Claim Regarding *The Doctor's Guide*

108. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of *The Doctor's Guide*, including through the means described in Paragraphs 26, 28, 36, and 38-39, Reverse Diabetes Defendants have represented, directly or indirectly, expressly or by implication, that the protocol described in *The Doctor's Guide* is scientifically proven to cure, treat, or mitigate type 2 diabetes or its symptoms in 28 days.

109. The representations set forth in Paragraph 108 are false, misleading, or were not substantiated at the time the representations were made.

110. Therefore, the making of the representations as set forth in Paragraph 108 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III

Misrepresentations Regarding Congressional Checks and Republican Checks

111. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of *Congress' Secret \$1.17 Trillion Giveaway* or *Lifetime Income Report*, through the means described in Paragraphs 64-101, Congressional Checks Defendants have represented, directly or indirectly, expressly or by implication, that:

- a. Consumers are entitled, by law or otherwise, to money from Congressional Checks or Republican Checks;
- b. Consumers can collect money from Congressional Checks or Republican Checks just by adding their name to "the list of check payees;"

c. Consumers can collect hundreds to thousands of dollars per month in Congressional Checks or Republican Checks with little or no risk;

d. Congressional Checks or Republican Checks are affiliated or furnished by Congress or another government agency or program;

e. Anyone can collect hundreds to thousands of dollars in Congressional or Republican Checks;

112. Congressional Checks Defendants' representations described in Paragraph 111 are false or misleading. In truth and in fact:

a. Consumers are not entitled, by law or otherwise, to money from Congressional Checks or Republican Checks;

b. Consumers cannot collect money from Congressional Checks or Republican Checks just by adding their name to "the list of check payees;"

c. Consumers cannot collect hundreds to thousands of dollars per month in Congressional Checks or Republican Checks with little to no risk;

d. Congressional Checks or Republican Checks are not affiliated or furnished by Congress or another government agency or program;

e. Anyone cannot collect hundreds to thousands of dollars in Congressional Checks or Republican Checks because of the cost of doing so.

113. Therefore, the making of the representations set forth in Paragraph 111 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT IV

Material Omission Regarding Congressional Checks and Republican Checks

114. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of the book *Congress' Secret \$1.17 Trillion Giveaway*, Congressional Checks Defendants, directly or indirectly, expressly or by implication, represent that consumers can collect hundreds to thousands of dollars per month by following the instructions in their book.

115. In numerous instances in which Congressional Checks Defendants make the representation set forth in Paragraph 114, Congressional Checks Defendants fail to disclose that consumers must spend tens of thousands to hundreds of thousands of dollars in order to collect the promised amounts. This additional information would be material to consumers in deciding to pay any money to receive Congressional Checks Defendants' book *Congress' Secret \$1.17 Trillion Giveaway*.

116. In light of the representation described in Paragraph 114, Congressional Checks Defendants' failure to disclose the material information set forth in Paragraph 115 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

117. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

118. 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.

PRAAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(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 but not limited to temporary and preliminary injunctions and an order freezing assets;

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

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

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.

Dated: October 24, 2019

Respectfully submitted,

ALDEN F. ABBOTT
General Counsel

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