

# International Markets Live, Inc.

45 Rockefeller Plaza - New York, New York 10111- www.imarketslive.com

June 18, 2018

Truth in Advertising

Subject: MEDIA INQUIRY: iMarketsLive's to June 6, 2018 Questions

Attention: Jason Bagley,

Dear Mr. Bagley,

This letter is in response to your email with the above mentioned subject of "iMarketsLive's inappropriate income claims" and the Article you published to [www.truthinadvertising.org](http://www.truthinadvertising.org) on June 6, 2018 "WHAT YOU SHOULD KNOW ABOUT IMARKETSLIVE"

We want to first commend you on your article as we feel it was fair and balanced and you did raise some important points that should be addressed. We also appreciate you allowing us to respond to the article, so we may further educate you about our business model and any questions that your article raised. We ask with our response you would also update your article to show our company is constantly striving to operate within regulatory guidelines.

I want to first address the email questions, then address the content of the article that we feel would be responsive with further information.

## **Where is the IML income disclosure statement? A link to one in the compensation plan doesn't work.**

The company has experienced hyper growth over the past 12 months. Our former Income Discloser became obsolete and has been removed. Our legal/accounting team is currently working on a new Statement and will be included in the next 45-60 days.

We are revamping imarketslive website front end and back office to a completely new site, with a new look. The new site will be reviewed by our compliance and legal team before it goes live. We would be willing to allow you to review the new website prior to its release for your approval in event you find anything that needs to be amended, the expected release will be in the next 45-60 days.

## **Do most distributors make money?**

As with most affiliates, their income from building a team, varies based on their individual efforts, geographical locations, and overall sales and marketing talent. With the new income disclosure statement, which we will send to you prior to, or at the same time we make it public, it will give the specific numbers. We do not consider our IBO's to be Distributors, they are Independent Business Owners.

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Currently, there are approximately **6,500 IBO's**, Independent Business Owners who receive commission payments for their direct/indirect retail sales of our services of our **68,000 non-incentivized paying customers**, those customers pay for our services without interest in taking part of the MLM/NWM Compensation Plan, **this is around 90%:10% Customer/IBO Ratio**. Our compensation plan has a minimum 55% Retail Customer Ratio before our compensation plan, triggers any commissions to an IBO.

## **Do most distributors lose money?**

Until the accounting and legal team sign off on the specific income disclosure statement, I cannot give you specifics. I can say that since its \$15 to become an IBO, I am not sure any IBO can lose money above the \$15 monthly cost. However, from a customer standpoint, as with any type of investment, there will be some who may have lost more than they have paid in their subscription fees, while others have earned more than their subscription fees. Again, when we get the new income disclosure statement, I will forward directly to you.

We would like to clarify that an individual can join as 1. IBO for \$15 Per Month or 2. Customer for \$195 to start and \$145 per month, or 3. IBO & Customer. There is no restriction and no IBO is required to purchase any services. To Earn Income, a IBO must have minimum 55%:45% Customer Volume. We do not consider an IBO who uses the services to be a customer, a customer pays for services without the incentive to earn commissions on any referrals.

## **Why should novice traders get involved in a notoriously risky market like forex?**

When I launched IML, I did it so the novice investor could become educated and use a "Practice or Demo Account" prior to actually investing their money in such a volatile Investment. I am sure you are well aware that Forex Trading for the most part is done by institutional investors, who can with just a fraction of a percent earn or lose millions. Our goal was to give the novice a better than average chance of learning how to invest wisely, verses jumping in with no education and losing their original investment.

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We want to be clear on several things

1. We do not accept any investments whatsoever, our services are month to month based model.
2. We do not earn any trading commissions from any brokers as we have 0 relationships with any brokers whatsoever. We have never accepted nor plan to accept any broker commissions.
3. iMarketsLive does not receive any performance fee's, if a member invests \$1,000 into his brokerage account, and makes \$100, this is his or her money, we have no relationship whatsoever. We have no access to any account information and that is between the customer and his or her broker.
4. iMarketsLive members can turn off their services at any time.
5. iMarketsLive does not direct nor controls any accounts.

## **Why isn't the need to hire a broker to make trades made clearer in IML's marketing?**

There is a need for a broker, just as you need a Broker when buying or selling a house. As I stated above, IML isn't a brokerage and we do not trade on behalf of any clients or IBO's. We offer an educational subscription model and that is all. We do not suggest any broker, we leave that to the customer who has to do their own due diligence. Those individuals, who are seeking services, like those at IML, fully understand, IML isn't a broker and provide no avenues for them to invest or trade their funds through out company.

## **For what reason is IML "unable to offer services" in 19 territories, as noted in its policies and procedures?**

There are two main reasons. The first is the federal sanctions placed on specific countries by the US Government. The second is we just do not do business in some countries where the risk for fraud is high. Our merchant compliance partner's guide us in this area. With their expertise and advice, we have made this decision. We also do not do business in the state of Montana.

## **What is IML's response to being banned in Belgium, among other countries?**

Our company has grown exponentially around the globe as customers enjoy our services globally as Forex Education is highly desired. With our growth we have found regulators in several countries that do not understand our business model have issued warnings. These authorities feel we are a 'Broker' or an "Investment Advisor" which is completely incorrect.

Rather than ignoring the authorities, we have engaged top Law Firms from around the globe to work with their network of firms in the various countries to communicate and work with any and all authorities to help us become compliant and registered.

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I have attached letters from 1. Bailey Duquette our US Attorney who coordinates with 2. German Alberto Rey Hoyos in Colombia and 3. SBS|LEGAL in Germany who works with their network of European Attorneys in various countries. We also have an attorney who has helped us become CFTC Compliant, Steptoe and Johnson, along with Sterling Kerr office who has worked on the US Compliance and Litigation.

We asked these attorneys to provide a letter to our E-Wallet Vendor prior to your Article and as you will notice we are proactively seeking to become globally compliant.

## **What is IML's response to consumer complaints to the FTC that allege it is a pyramid scheme?**

I checked with our legal and compliance team, and we have not been notified of any complaints with the FTC. If you have a specific complaint you are referring, please send for our review and I will gladly respond.

We also have provided to you the minimum Customer/IBO ratio which is 55%/45% and our current actual Ratios, these far exceed the minimum customer/IBO ratios for a pyramid scheme.

## **What is IML's response to Wealth Generators' claims that it bribed its distributors and stole confidential information?**

We have attached a letter from our Attorney Sterling Kerr, this should satisfy your question.

We hope the above responses to your questions are sufficient enough to clear up any concerns or confusion about iMarketsLive.

We did want to respond to your email comment about our CEO, Christopher Terry's Instagram. We agree that his comment was out of compliance and in-fact was a human error(s) and without bad intention or malice whatsoever, but with the excitement of seeing his IML IBO's and Customers become successful, which we agree is not an excuse.

We have advised him to review his Instagram and remove any questionable posts that may be deemed non-compliant in regards to Income Claims, he is actively making an immediate effort to perform these actions.

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## **In your Article on the TINA website, you made this statement.**

“You don’t need to be Jordan Belfort, the “Wolf of Wall Street,” to make Wall Street level money, according to iMarketsLive, a foreign exchange or forex trading MLM with offices in New York and London. In fact, you don’t even need to be **awake**. All you need, the company says, are the trading tools that iMarketsLive provides.”

The word “awake” leads to this link <https://www.truthinadvertising.org/wp-content/uploads/2018/05/iMarketsLive-FX-Signals-Live.png> which shows a picture of a “old” service that imarketslive had, and this was an old snapshot from our website.

We want to mention that we have had products that had been questionable due to changes in Europe with the new MiFid II law (January 2018) , the product was “FXsignalsLive” Auto-Trader, this law has caused Auto-Trading, Mirror Trading, Copy Trading all in the same, to be deemed illegal, with that we have removed the products early 2018 after the new law. The issues with some of the Authorities are connected to the FXsignalslive product, which is no longer in existence.

We would appreciate this to be updated as the “awake” reference refers to a service that does not exist.

“And if you think that you’ll just market the “opportunity” to others and not use the products yourself, iMarketsLive **requires** distributors to use “the products and services of the Company on a regular basis” in order to receive any bonuses or commissions.”

The word “requires” leads to this link <https://www.truthinadvertising.org/wp-content/uploads/2018/05/Payment-of-Bonuses-and-Commissions-iMarketsLive-Policies-Procedures-1.pdf>

which shows “ **8.05 PAYMENT OF BONUSES AND COMMISSIONS**

In order for any member or independent affiliate to receive any bonuses or commissions from the Company, the member or independent affiliate must be "Active" and in "Good Standing". "Active" refers to a member or independent affiliate that is **paying their monthly subscription and using the products and services of the Company on a regular basis**. "Good Standing" refers to a member or independent affiliate that does not owe any monies to the Company”

Based on that section, you are correct to have made that comment, this is a complete oversight as we updated our compensation plan in June of 2016 and the new plan allows somebody to become an IBO and earn without using the services whatsoever, as long as they have the proper customer sales.

We are amending the section to read.

### **8.05 PAYMENT OF BONUSES AND COMMISSIONS**

In order for any independent affiliate to receive any bonuses or commissions from the Company, the member or independent affiliate must be "Active" and in "Good Standing". "Active" refers to a independent affiliate that is paying their monthly subscription. "Good Standing" refers to an independent affiliate that does not owe any monies to the Company”

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Please refer to our compensation plan [http://www.myimarketslive.co/Final IML Comp 5 \(1\).pdf](http://www.myimarketslive.co/Final%20IML%20Comp%205%20(1).pdf) and See "How to Get Started" on page 3, it reads

1. If you join as an IBO, the cost is \$15 with a monthly renewal of \$15 to keep your business active. Being an IBO lets you share the IML products and services with others, while taking part in the Compensation Plan. **There is no requirement to purchase the Platinum Package as an IBO**, though we highly recommend it. You must be an IBO to take part in this Compensation Plan.

## Items in Question:

**No Learning Required** – This is an old Video about Old Services that no longer exist, had these products been currently active you would be correct to mention, however they are no longer in existence.

## Costly Tools of the trade don't eliminate risk –

We agree, there is high risk when investing money in FOREX, we make this very clear, we also have disclaimers and we do not suggest anyone to invest any money with a broker at any time, this is solely the individual's choice, we provide education.

We want to refer to this link

<https://www.truthinadvertising.org/wp-content/uploads/2018/05/iMarketsLive-training-complaint.pdf> the person says "you can easily get it for free on Youtube." We do not agree with this comment, and his comment does not speak for the nearly 70,000 customers who vote by paying for our services and find the value far exceeds the price. We would further state, that in reviewing many purported "free videos" on YouTube, the majority come with an upsell, or an advertisement from some broker for individuals to open trading accounts.

**Broker and Broker Fee not included** – your comment "But this raises the question: **How much better are the trading tools that iMarketsLive offers than the services that a broker provides?** If the company's products are inferior by comparison, you may have a tough time selling the products. **And if the "opportunity" side of the business is less about selling products than about recruitment, well, that's one of the hallmarks of a pyramid scheme.**"

Reply to the First bolded comment, we provide the education, the broker facilitates the trade, two different services, IML is not a broker as we mentioned and does not accept any investments whatsoever. And, although, some brokers offer tools. These tools are at times, tied strictly to that broker to force the individual to trade with only that broker.

The Second Bolded comment, with nearly 90% Customers and 10% IBO's we feel it is very clear that IML is not about recruitment, it is about education and selling services which customers enjoy. We agree selling only of an opportunity is the hallmark of a pyramid scheme, fortunately we are compliant in that matter.

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We feel the entire section above should be removed based on the comments we mentioned which clear up any confusion.

**The Business Opportunity with its missing income disclaimer** – We answered this in the questions section.

**Unrealistic income claims** – We absolutely agree that unrealistic income claims, as well as any income claims on social media is not good. We acknowledge the fact that customers and IBO's have made posts on Facebook and Instagram, that may cast a negative shadow on iMarketsLive and is in direct non-compliance to our terms and agreement and Policies.

We recently hired Donna Marie Serritella of Direct Selling Solutions, <http://directsellingsolutions.com/> Within the industry is considered the *Queen of Compliance*. Donna Marie is our Director of Compliance is working with our leaders to address and eliminate income claims.

In addition, Donna Marie is working with the Compliance Team to increase consistent monitoring, fair enforcement, and Compliance education in the field. We have established a Compliance Department to address IBO Compliance inquiries, IBO reports regarding non-compliant activities, and to educate the field in Compliance requirements. The Compliance Department is tasked with having a proactive approach to IBO Compliance.

We also have been working with Troy Dooly as a advisor <http://troydooly.com/> , through his firm [www.lighthouseideacrafters.com](http://www.lighthouseideacrafters.com) and he is working and he is working with Donna Marie and her team to help eliminate income claims and other non-compliance situations, through a series of accountability videos. He released a video on his website 2 months ago <https://vimeo.com/261562170> regarding Income Claims and will continue to increase field Compliance awareness, though IML specific compliance series, as well as working directly with Mr. Terry on a new series of current interviews about IML.

We hope this helps shed better light how we are active in our effort to clean up any claims.

**Leadership has Baggage** – Alex Morton although he along with our CEO, has made errors in comments or posts from the past, has been notified to eliminate any communication that is considered any type of income claims. We cannot change past actions other than removal of any social media posts, which he is actively doing. Alex is active and currently compliant on his social media and any public speaking. Alex is an advocate for eliminating income claims, and any other compliance issues brought to his attention. We appreciate you bringing this to our attention.

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**Global Visionaries making out of the world claims.** – We acknowledge and agree that this type of behavior is not compliant with iMarketsLive policies and procedures. Although Austin Instagram posts where non-compliant, he has removed 99.99% of his Instagram posts, thus eliminating any non-compliant posts also. Austin now understands the gravity of posting “out of this world claims” and there is no excuses for it. Moving forward every one of our IBO’s and Customers will be trained with “Do’s and Don’ts” in regard to any social media posts.

**International bans, prohibited territories** – We covered this part in the earlier part of our reply.

**Complaints accuse iMarketsLive of operating a pyramid scheme** – We covered this earlier in our reply regarding why IML is not a pyramid scheme, however reading the 4 complaints you quoted, none of them show fact that IML as a pyramid scheme. IML Sells Retail Educational Services, month to month, we do not take any investments, do not accept any broker commissions. What your “quotes” show are complaints based on that person’s opinions only, but opinion as you know does not make it illegal whatsoever.

**Competitor claims iMarketsLive stole confidential information** – We attached a letter from our attorney regarding this incorrect complaint from Wealth Generators. They filed an Injunction on IML and the Judge ruled against WG.

In regard to Robert Halterman of Chakra Capital Group, he was slandering IML as stated in the complaint, he removed all negative and slanderous comments on Facebook, and we removed our lawsuit. We have no further comment to this.

In closing, we hope we have made our response clear, concise, with complete transparency, if you have any follow up questions, we welcome them. Based on our responses, if you can please update the article to reflect all the positive actions we have taken both in advance of and after your publication as well as the questions you have asked us directly. We will follow up as mentioned on any information we do not currently have yet.

Frank Gomez

Chief Operating Officer



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