

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 24-cv-23976-RKA

SEALED

FEDERAL TRADE COMMISSION

Plaintiff,

v.

ECOM GENIE CONSULTING LLC, a limited liability company;

LUNAR CAPITAL VENTURES LLC, a limited liability company, also dba Lunar Automation;

PROFITABLE AUTOMATION, LLC, a limited liability company;

STEVEN J. MAYER, individually and as an officer and owner of Lunar Capital Ventures LLC and Ecom Genie Consulting LLC;

TREVOR DUFFY YOUNG, individually and as an officer of Profitable Automation, LLC; and

WESSAM BAIZ, individually;

Defendants, and

ALPINE MANAGEMENT GROUP INC., a corporation;

BAIZ SALES, LLC, a limited liability company;

SALESPRENEURS, LLC, a limited liability company; and

VICENZA CAPITAL CORP., a corporation, formerly known as STEVEN MAYER LUX CORP., a corporation;

Relief Defendants.

FILE UNDER SEAL



PLAINTIFF'S COMPLAINT FOR PERMANENT INJUNCTION, MONETARY JUDGMENT, AND OTHER RELIEF

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

1. The FTC brings this action for Defendants' violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Business Opportunities" ("Business Opportunity Rule"), 16 C.F.R. Part 437, as amended. For these violations, the FTC seeks relief, including a temporary, preliminary, and permanent injunction, monetary relief, and other relief, including an asset freeze, appointment of a receiver, and immediate access to Defendants' business premises, pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b), 57b, and the Business Opportunity Rule.

SUMMARY OF THE CASE

2. Defendants use deceptive earnings claims to lure consumers into investing tens of thousands of dollars—at times borrowed against consumers' homes and retirement funds—to purchase what Defendants advertise as a surefire business opportunity. Touting their "track record of success" and a "money-back guarantee," Defendants claim that purchasers will earn substantial passive income from e-commerce stores managed by Defendants. In reality, the promised earnings rarely, if ever, materialize, and most consumers lose substantial amounts.

3. The Business Opportunity Rule is designed to help prospective purchasers evaluate the risks to investing in a new business by prohibiting misrepresentations and requiring sellers to disclose key information, such as substantiation for any earnings claims, past litigation history, and contact information for prior purchasers. Defendants routinely misrepresent potential earnings and fail to make any of the required disclosures to prospective purchasers. Defendants Lunar Capital Ventures, LLC and Mayer also misrepresent the company's refund policy.

4. Defendants have taken at least \$12.1 million from consumers since 2022.

JURISDICTION AND VENUE

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

and 1345.

6. 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

7. 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 Business Opportunity Rule, 16 C.F.R. Part 437, which requires sellers to provide disclosure documents and prohibits false or unsubstantiated earnings claims and other prohibited practices.

DEFENDANTS

8. Defendant **Ecom Genie Consulting LLC** (“Ecom Genie”) is a Wyoming corporation with its principal place of business at 25700 Interstate 45 N, Suite #4067, Spring, Texas 77386. Ecom Genie transacts or has transacted business in this District and throughout the United States. At times relevant to this Complaint, acting alone or in concert with others, Ecom Genie has advertised, marketed, distributed, or sold e-commerce automation business opportunities to consumers throughout the United States.

9. Defendant **Lunar Capital Ventures LLC**, also dba Lunar Automation, (“Lunar”) is a Delaware corporation with its principal place of business at 1007 N Orange St., 4th Floor #450, Wilmington, Delaware 19801. Lunar transacts or has transacted business in this District and throughout the United States. At times relevant to this Complaint, acting alone or in concert with others, Lunar has advertised, marketed, distributed, or sold e-commerce automation business opportunities to consumers throughout the United States.

10. Defendant **Profitable Automation, LLC** (“Profitable Automation”) is an Ohio

corporation with its principal place of business at 1541 Kilbarron Drive, Morrow, Ohio 45152. Profitable Automation transacts or has transacted business throughout the United States. At times relevant to this Complaint, acting alone or in concert with others, Profitable Automation has advertised, marketed, distributed, or sold e-commerce automation business opportunities to consumers throughout the United States.

11. Defendant **Steven J. Mayer** is an owner and officer of Lunar and is the sole owner of Ecom Genie. Additionally, Mayer

- a. is a signatory on all known bank accounts for Ecom Genie and Lunar, and the account holder for the payment processor accounts for Ecom Genie;
 - i. is the sole signatory on Ecom Genie's bank accounts, and Ecom Genie is the main beneficiary of consumer funds collected by Profitable Automation;
- b. has signed consumer contracts on behalf of Ecom Genie;
- c. has narrated marketing videos containing false or unsubstantiated earnings claims for Ecom Genie;
- d. was a director and owner of Valiant Consultants Inc. ("Valiant"), a predecessor company to Lunar;
- e. knows about consumer complaints against Ecom Genie, Lunar, and Valiant;
- f. knows about suspension of Valiant's clients' stores; and
- g. is named as a defendant in at least one lawsuit brought by a Valiant consumer alleging fraud.

12. At all times relevant to this Complaint, acting alone or in concert with others, Defendant Mayer has formulated, directed, controlled, had the authority to control, or

participated in the acts and practices of Profitable Automation, Ecom Genie, and Lunar (collectively, "Corporate Defendants"), including the acts and practices described in this Complaint. Defendant Mayer resides in Texas and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States. Through his direct participation in, or control over, Corporate Defendants, Mayer has knowledge of the acts and practices constituting the violations alleged herein.

13. Defendant **Trevor Duffy Young** is the Chief Executive Officer of Profitable Automation. Additionally, Young is the sole signatory on bank accounts for Profitable Automation and narrates Profitable Automation's marketing videos containing false or unsubstantiated earnings claims.

14. Since at least October 2023, acting alone or in concert with others, Defendant Young has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Profitable Automation, including the acts and practices described in this Complaint. Defendant Young resides in Ohio and, in connection with the matters alleged herein, transacts or has transacted business throughout the United States. Through his direct participation in, or control over, Profitable Automation, Young has knowledge of the acts and practices constituting the violations alleged herein.

15. Defendant **Wessam Baiz** is the Customer Acquisitions Director at Ecom Genie and held a sales position at Lunar, where he made false earnings claims directly to consumers. Baiz also owns Relief Defendants Baiz Sales and Salespreneurs, which have received more than a combined \$1.5 million from Lunar and Ecom Genie.

16. Since at least October 2022, acting alone or in concert with others, Defendant Baiz has participated in the acts and practices of Ecom Genie and Lunar, including the acts and practices described in this Complaint. Defendant Baiz resides in Ohio and, in connection with

the matters alleged herein, transacts or has transacted business throughout the United States. Through his direct participation in the Ecom Genie and Lunar businesses, Baiz has knowledge of the acts and practices constituting the violations alleged herein.

RELIEF DEFENDANTS

17. Relief Defendant **Alpine Management Group Inc.** (“Alpine”) is a Canadian corporation with a principal place of business at 120 Nolancrest Circle NW, Calgary, AB T3R072. Alpine has received funds that can be traced directly to Defendants Lunar and Mayer’s deceptive acts or practices alleged below, and it has no legitimate claim to those funds.

18. Relief Defendant **Baiz Sales, LLC** (“Baiz Sales”) is a Florida corporation with a principal place of business at 7901 4th St N, Suite 300, St. Petersburg, Florida 33702. Baiz Sales has received funds that can be traced directly to Defendants Ecom Genie, Lunar, and Wessam Baiz’s deceptive acts or practices alleged below, and it has no legitimate claim to those funds.

19. Relief Defendant **Salespreneurs, LLC** (“Salespreneurs”) is a Florida corporation with a principal place of business at 7901 4th St N, Suite 300, St. Petersburg, Florida 33702. Salespreneurs has received funds that can be traced directly to Defendants Ecom Genie and Wessam Baiz’s deceptive acts or practices alleged below, and it has no legitimate claim to those funds.

20. Relief Defendant **Vicenza Capital Corp.** (formerly known as Steven Mayer Lux Corp.) (“Vicenza”) is a Canadian corporation with a principal place of business at 56 Copperstone Terrace SE, Calgary, AB T2Z0J3. Vicenza has received funds that can be traced directly to Lunar’s deceptive acts or practices alleged below, and it has no legitimate claim to those funds.

COMMON ENTERPRISE

21. Corporate Defendants have operated as a common enterprise while engaging in

the deceptive acts and practices and other violations of law alleged in this Complaint. Corporate Defendants have conducted the business practices described below through an interrelated network of companies that have common ownership, officers, business functions, employees, and office locations; have commingled funds; and share advertising and marketing. For example:

- a. Corporate Defendants sell the same e-commerce automation business opportunities, and they share the same or substantially similar advertising and marketing materials;
- b. Corporate Defendants share several employees;
- c. Lunar and Ecom Genie are each owned, in whole or in part, by Mayer;
- d. Mayer is a signatory on all known bank accounts of Ecom Genie and Lunar;
- e. Profitable Automation sends the majority of the consumer funds it collects to Ecom Genie;
- f. Ecom Genie and Lunar have both done business using the same residential address—100 Wake Valley Court, Conroe, Texas 77340—where Mayer once resided.

22. Because Corporate Defendants have operated as a common enterprise, each of them is liable for the acts and practices alleged below.

COMMERCE

23. 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

THE VALIANT BUSINESS OPPORTUNITY SCHEME

24. In September 2019, Mayer, along with a partner, incorporated Valiant in Florida. Valiant marketed e-commerce business opportunities to consumers, claiming that in exchange for a hefty initial investment, Valiant would set up and manage online stores on e-commerce platforms such as Amazon.com or Walmart.com. Mayer and Valiant sold these e-commerce stores by claiming that prospective purchasers would earn substantial passive income from the sales in those stores.

25. Valiant used two different models for the e-commerce stores it sold – the “fulfilled by merchant” model, also known as dropshipping, and “fulfilled by Amazon” model (“FBA”). In a dropshipping model, when a customer ordered an item from an e-commerce store owned by Valiant’s client, Valiant used its client’s funds (typically in the form of a credit card) to buy that item on Amazon.com or from another retailer and ship it (or repackage first and then ship) to the customer. Valiant’s client would purportedly profit from the delta between what they paid for the inventory and what the customer on their e-commerce store paid. However, Amazon.com and Walmart.com have prohibited stores on their platform from using the dropshipping model, which Mayer acknowledged in marketing videos even as he promoted the offending business model.

26. In the FBA model, Valiant or one of its affiliated suppliers invoiced its clients to cover the purchase of inventory and Valiant stored the inventory in its warehouses. When orders were then placed on the client’s Amazon store (there is no evidence that Defendants have been able to produce operational Walmart stores), Valiant was responsible for packaging and shipping those items to Amazon for fulfillment to the purchaser.

Representations Regarding the Valiant Business Opportunity

27. Valiant advertised its business opportunity online, including through Mayer's YouTube channel, on social media, and on Valiant's website, valiantconsultants.co.

28. On Instagram using the handle [@valiantconsultants](https://www.instagram.com/valiantconsultants), for example, Valiant posted to its tens of thousands of followers a screenshot showing the results of a "client's" Amazon stores, with a message that she is "well on her way to hitting \$50k in sales!" after 30 days. Valiant, however, failed to disclose that the "client" was, in fact, a Valiant employee.

29. On its website, Valiant claimed that it "helped over 600+ clients build an automated Amazon business to positively impact the financial futures of their families." The website stated that Valiant would "leverage our 7-figure team" to "handle everything for you." It included "reviews" from purported Valiant clients, with claims such as:

- a. "Jeff earns \$28k in his first 30 days!"
- b. "Rodolie does \$30k/month in under 2 months"
- c. "Jake found financial success earning \$42k/month"

30. Once prospective purchasers connected with a Valiant sales agent, Valiant ramped up the pressure to sell its business opportunity. Valiant told consumers, for example, that it was only partnering with select business partners or that the cost of the business opportunity would increase if consumers did not sign up quickly.

31. Valiant's marketing was rife with promises of lucrative profits. For example, it sent prospective purchasers solicitation emails that contained earnings claims such as "\$100K/month in just 6-12 months with profit margins of 25-50%." Valiant also sent prospective purchasers a document that set out what they could expect to earn if they purchased the business opportunity, including, for example: "We will build you a 6/7 figure automated Wholesale/FBA Amazon store with 35% average profit margins!" and Valiant will "build your

store to \$100,000+ per month” in “about 6 to 12 months.” And Mayer narrated a presentation to prospective purchasers that made similar promises about expected earnings and showed that stores could potentially generate \$60,000 in revenue within two months.

32. On marketing calls, Mayer told potential purchasers that they could expect their store to earn \$100,000 per month, promising one consumer to turn the consumer’s store into a “million-dollar enterprise.”

33. In addition, Valiant promised prospective purchasers that their initial investment was backed by a 100% money back guarantee. Mayer personally assured at least two prospective purchasers who expressed concern about paying \$30,000 that Valiant would buy the store back if the purchasers did not recoup that initial investment.

Consumer Experience with Valiant

34. Valiant told prospective purchasers that, after an initial payment by the client of typically \$30,000, its employees would handle the day-to-day operations of the purchasers’ e-commerce stores—from product research to customer service, inventory management, and order processing—with little to no involvement from the client. Valiant also invoiced purchasers \$1,000 for management of their store in the first 60 days. In return, Valiant was to share the profits from the store with the purchaser, whose main role, they were told, was to provide the working capital.

35. In addition to the initial investment and management fee, Valiant typically required purchasers to establish credit cards that it used to pay for the inventory to fulfill store orders. Thus, in addition to paying tens of thousands of dollars in initial fees to Valiant, prospective purchasers typically needed to borrow thousands more for their stores to operate.

36. After signing their contracts with Valiant and making significant capital investments, purchasers often discovered that it took several months until their stores became

operational, if they ever became operational at all. And operating stores brought in nowhere near the amount Valiant represented they would before the purchasers signed the contract. In fact, most purchasers never recouped their investment and many lost substantial amounts.

37. Moreover, inventory consumers purchased for their stores was often not stocked in their e-commerce stores, or, if it was, it was not the kind of reputable, name brand products Valiant had assured prospective purchasers would give purchasers a competitive edge.

38. When purchasers raised concerns or questions with Valiant about their stores, Valiant responded with confusing or conflicting answers, if it responded at all.

39. In addition, Amazon often suspended Valiant-managed stores for violating dropshipping policies and other violations of Amazon's terms, like selling defective products. Many purchasers ultimately ended up with shuttered stores, permanently terminated Amazon accounts, and credit card debt for inventory they could no longer sell.

Valiant's Earnings Claims Were False or Unsubstantiated

40. For roughly a year and a half, Valiant marketed its online e-commerce automation business opportunities to consumers using earnings claims such as those described above.

41. Rather than being run profitably, Valiant-managed stores were suspended or terminated, and, even if they had sales, they sold nowhere near the amount represented in Valiant's marketing. After taking into account Valiant's large fees, payments for inventory, refunds, credit card fees, and onboarding and operation costs, most Valiant purchasers lost money. Not only were purchasers out the money they paid Valiant, but they also suffered further substantial harm from the additional costs from Valiant's mishandling of their stores.

42. Of the 238 consumers known to the FTC for whom Valiant operated e-commerce stores on Amazon.com, between January 1, 2020 and June 10, 2024, approximately 76.5% had aggregated sales of less than \$10,000. The average monthly sales for the stores was \$3,607 and

the median average monthly sales was \$0. These figures do not account for the stores' operating expenses, such as fees and the upfront cost of purchasing inventory or include refunds or cancelled orders. Approximately 58% of these stores had no sales at all.

Consumer Complaints and Lawsuits

43. In September 2020, Valiant sent an email to its storeowners to address "rumors" that it was out of business and what it described as "sensationalist online bullying and fear mongering." The email, however, noted that Valiant would not be taking new clients because of issues experienced by existing clients.

44. In a video posted by Mayer on YouTube, he admitted that 35% of Valiant's clients' stores were suspended. In another YouTube video, Mayer sought to "clear the air" regarding the status of Valiant and address the "videos and posts and ... different Facebook pages" that were "attacking" Valiant and calling its business opportunity a "scam." He admitted that some clients who invested with Valiant "no longer trust us.... They were promised ... something and something else happened." He continued, "if this was a scam, our company, I would have just taken, you know, the money and disappeared." However, Valiant and Mayer ultimately did just that by mid-2021 when clients were no longer able to get in touch with Valiant.

45. Between January and March 2021, four consumers who purchased business opportunities from Valiant sued the company—and, in some cases, officers including Mayer—for fraud, unjust enrichment, breach of contract, and/or violations of state law prohibiting deceptive trade practices. One case was voluntarily dismissed, two resulted in monetary judgments to the plaintiff, and one matter is set for trial against Mayer after Valiant was dismissed from the case because of an arbitration clause.

46. In addition to these lawsuits, an attorney representing numerous Valiant clients

sent demand letters to Valiant. Instead of refunding the clients' money, in June and July 2021, Valiant filed lawsuits alleging breach of contract against 21 of these former clients. Ultimately, Valiant voluntarily dismissed these retaliatory suits.

47. From October 2019 to June 2024, the FTC received more than 100 consumer complaints about Valiant, and in some instances Mayer, that relate to the conduct described above.

48. On January 16, 2024, Valiant was voluntarily dissolved.

THE OPERATION REBRANDS AS LUNAR

49. With Valiant labeled a scam and in litigation, in 2022 the company reorganized as Lunar. Although the public face of Lunar was a man known as Boba Milic, Mayer ran the company, as he later described, "behind the scenes."

50. Lunar sold virtually the same business opportunity previously offered by Valiant, offering both the dropshipping and FBA model.

Representations Regarding the Lunar Business Opportunity

51. Lunar advertised its business opportunity on social media and on Lunar's websites, lunarautomations.com and lunarautomation.com.

52. On one version of Lunar's website, the company claimed that it had "over \$500+ million in total sales between Amazon and Walmart." The website enticed prospective purchasers to "take advantage of our 50k/mo guarantee offer," advertising that it "guarantee[s] our team will build you a 50k/month Walmart store within 6 months ... (or we will work for FREE until you get there!)." Lunar told potential purchasers that they could "sit back, enjoy life, and make passive income each month from our breakthrough system."

53. The website relied heavily on supposed past earnings performance of purchasers' stores. For example, it featured screenshots of a store earning over a \$1 million in sales in one

year and told consumers its “built for you” system grew clients’ stores to “five, six and even seven figures and built passive income streams that completely fund[ed] their dream lifestyles.” Enticing testimonials from supposed purchasers reported further sales, with claims of reaching close to \$90,000 in sales per month after five months and “my sales have reached over 60K in the last 30 days.”

54. In the marketing of its business opportunity, including the examples above, Lunar failed to disclose to prospective purchasers information required by the Business Opportunity Rule, including the beginning and ending dates when represented earnings were achieved and the number and percentage of all persons who purchased Lunar’s business opportunity prior to that ending date who achieved at least the stated level of earnings.

55. Once prospective purchasers connected with a Lunar sales agent, the company continued to deluge prospective consumers with earnings claims. For example, Lunar told potential purchasers that they could earn as much as \$300,000 per year, enough to buy a rental property and a car. Elsewhere, Lunar guaranteed prospective purchasers that they could earn \$50,000 per month in sales after five months. Lunar also sent prospective purchasers solicitation emails that contained earnings claims such as “50K/mo in sales in 6 months.” Some prospective purchasers spoke with Lunar sales representative Wessam Baiz, who told at least one prospect that he could expect to earn \$60,000 to \$70,000 in the first year, “it’ll start doubling up from there,” and “the sky’s the limit.”

56. Lunar promised prospective purchasers that their initial investment was protected by a buyback guarantee. A salesperson further assured at least one prospective purchaser that Lunar never had to provide this refund because purchasers’ stores were always profitable within the covered time frame.

57. Lunar did not provide prospective purchasers with mandatory disclosures required

by the Business Opportunity Rule, including a document substantiating the earnings and profit claims that the company made in its advertisements, materials provided to prospective purchasers, or by company representatives communicating with prospective purchasers. In addition, Lunar did not provide prospective purchasers with a list of purchasers and contact information of individuals who purchased the business opportunity within the last three years.

Consumer Experience with Lunar

58. Lunar, like Valiant, told prospective purchasers that in exchange for the initial payment by the client of typically \$30,000 to \$35,000, Lunar would provide a done-for-you e-commerce store. In addition to getting the store running, Lunar would handle the day-to-day operations and share the profits from the store with the purchaser, whose main role was to provide the working capital. The opportunity was presented as a substantial source of passive income for potential purchasers.

59. In addition to the initial investment and monthly fees, Lunar typically required clients to establish credit cards which it used to pay for the inventory purchased to fulfill store orders. Thus, in addition to paying tens of thousands of dollars in initial fees to Lunar, prospective purchasers also needed to borrow or provide thousands more dollars for their stores to operate.

60. As with Valiant, however, a chasm grew between what Lunar promised prospective purchasers and what it delivered. Clients often discovered that it took several months until their stores were operational, if they ever became operational at all. Even when clients' stores were established and operating, the stores sold nowhere near the amount Lunar represented they would before clients signed the contract, and many clients lost money. Additionally, inventory consumers purchased for their stores was never stocked in their e-commerce store, or, if it was, it was not the kind of reputable, name brand products Lunar had

assured consumers would give them a competitive edge.

61. When clients raised concerns or questions with Lunar about their stores, customer service representatives gave them confusing or conflicting answers, if they responded at all.

Lunar's Earnings Claims Were False or Unsubstantiated

62. For over a year, Lunar marketed its online e-commerce automation business opportunities to consumers using earnings claims such as those described above.

63. Rather than being run profitably, Lunar-managed stores never opened, were suspended or terminated, had no sales, or, even if they had sales, sold nowhere near the amount represented in Lunar's marketing. After taking into account Lunar's large fees, payments for inventory, refunds, credit card fees, and onboarding and operation costs, most Lunar purchasers lost money. Not only were purchasers out the money they paid Lunar, but they also suffered further substantial harm from Lunar's mishandling of their stores.

64. Of the 331 consumers known to the FTC for whom Lunar has operated e-commerce stores on Amazon.com between January 1, 2020 and June 10, 2024, approximately 51% had aggregated sales of less than \$50,000. The monthly average sales for the stores was \$6,951 and the median average monthly sales was \$2,355. These figures do not account for the stores' operating expenses, such as the upfront cost of purchasing the products to be sold, or include refunds or cancelled orders. Approximately 13% of these stores had no sales at all.

Consumer Complaints and Lawsuits

65. Several Lunar purchasers requested refunds, which Lunar denied or ignored. When one purchaser complained, Lunar told him that the company does not have assets in the United States and pursuing legal action would be pointless, and the company would "ignore" arbitration. The purchaser tried to initiate arbitration proceedings to recover from Lunar, only to be told the company identified as a party on their contract was not related to Lunar and that

company on the contract was not responsible for any damages. Another consumer sued Lunar for unjust enrichment and breach of contract. The court entered a default judgment on January 16, 2024, for \$32,695.70.

66. Lunar did not provide prospective purchasers with a document, required under the Business Opportunity Rule, stating whether the company, any of its prior or affiliate companies, or any of the company's officers or directors has been subject to civil or criminal action for misrepresentation, fraud, securities law violations, or unfair or deceptive practices, including violations of any FTC rule, within the previous ten years. If it had complied with the Rule, consumers would have been on notice not only of Valiant's litigation history, but of Lunar's connection to Valiant and Mayer who, by this time, had been labeled by some online as scammers.

67. By mid-2023, Lunar, by then facing backlash from a vocal group of purchasers who had been harmed by its conduct, closed its corporate bank accounts. Purchasers whose investments remained with Lunar found themselves without working contact information to reach the company regarding operations of their e-commerce stores or to request a refund.

68. From November 2022 to April 2024, the FTC received approximately 100 complaints about Lunar that relate to the conduct described above.

MAYER REAPPEARS AS ECOM GENIE

69. In April 2023, Mayer reappeared as the public face of Ecom Genie. Ecom Genie sells virtually the same business opportunity previously offered by Valiant and Lunar, and offers the FBA model.

Representations Regarding the Ecom Genie Business Opportunity

70. Ecom Genie advertises its business opportunity online, including through social media and on Ecom Genie's websites, ecomgenie.co and ecomgenie.com, and later

ecomgenieconsulting.com and ecomgenieshops.com.

71. On social media, Ecom Genie uses testimonials from supposed clients to attract consumers with promises of others' success. Ecom Genie posted a video, for example, of Hannah Turnbow posing as an Ecom Genie client in which she claims that Ecom Genie built her a store that "has done over [\$]1.2 million in sales so far in the last five months and growing monthly. My profits are now around [\$]22,000 per month." Ms. Turnbow worked for Lunar and is currently the Customer Relations Director at Ecom Genie.

72. On one Ecom Genie website, the company claims that it offers "e-commerce Automation done the right way" and touts its "billion-dollar track record." Ecom Genie promises potential clients a "completely automated passive income stream that has quickly made our private clients over 6-7 figures each within just a few short months." Ecom Genie's introductory sales pitch video on its website has several slides that are nearly identical to Lunar's video. The video also features "test" stores, including one that purportedly earned \$40,000 in sales within 14 days and \$135,000 in 30 days, and another that purportedly earned \$218,000 in sales and \$33,000 in profit for the client within the first 30 days. Ecom Genie's website also features testimonials, branded with the Ecom Genie logo, but wherein clients refer to their success with Valiant.

73. In Spring 2024, Ecom Genie launched a new website, ecomgenieconsulting.com, where it rebrands as EGC, a "premier Amazon wholesale provider since 2019." On this version of the website, Ecom Genie estimates that "99%" of companies in the industry "operate in violation of FTC & AG regulations by making false claims, earnings promises, and guarantees," and tells customers that it takes an "ethical" approach and acts "in adherence to FTC guidelines." But the website itself includes earnings claims without the disclosure required by the Business Opportunity Rule.

74. In the marketing of its business opportunity, including the examples above, Ecom Genie fails to disclose to prospective purchasers information required by the Business Opportunity Rule, such as the beginning and ending dates when represented earnings were achieved and the number and percentage of all persons who purchased Ecom Genie's business opportunity prior to that ending date who achieved at least the stated level of earnings.

75. Once a potential purchaser reaches out to Ecom Genie, they are contacted by a sales agent. In marketing emails, Ecom Genie reassures prospective clients that if they do not have \$100,000 per month in sales within the first ten months, the client will keep 100% of their stores' profits until they recoup their initial investment. Ecom Genie also includes this promise in its contract in what it refers to as its "Work for Free Guarantee & ROI Assurance."

76. Ecom Genie does not provide prospective purchasers with mandatory disclosures required by the Business Opportunity Rule, including a document substantiating the earnings and profit claims that the company makes in its advertisements and materials provided to prospective purchasers, or by company representatives communicating with prospective purchasers. In addition, Ecom Genie does not provide prospective purchasers with a list of purchasers and contact information of individuals who purchased the business opportunity within the last three years. If it had done so, consumers would have had the opportunity to hear from prior purchasers about their experience as purchasers of Defendants' business opportunity.

77. Ecom Genie also does not provide prospective purchasers with a document, required under the Business Opportunity Rule, stating whether the company, any of their prior or affiliate companies, or any of the company's officers or directors has been subject to civil or criminal action for misrepresentation, fraud, securities law violations, or unfair or deceptive practices, including violations of any FTC rule, within the previous ten years. If it had complied with the Rule, consumers would have been on notice of Valiant, Lunar and Mayer's litigation

history, transparency that would have allowed prospective purchasers to make a more informed decision about whether to purchase the business opportunity.

Ecom Genie's Earnings Claims Are False or Unsubstantiated

78. Ecom Genie continues to market its online e-commerce automation business opportunities to consumers using earnings claims such as those described above.

79. Rather than being run profitably, Ecom Genie-managed stores never opened or have no sales, or, even if they have sales, sell nowhere near the amount represented in Ecom Genie's marketing.

80. Of the 17 consumers known to the FTC for whom Ecom Genie operates e-commerce stores on Amazon.com, between January 1, 2020 and June 10, 2024, virtually all (approximately 94%) have aggregated sales of less than \$50,000, and roughly half have aggregated sales of less than \$20,000. The monthly average sales for the stores is \$2,508 and the median average monthly sales is \$2,008. These figures do not account for the stores' operating expenses, such as the upfront cost of the products sold, or include refunds or cancelled orders. Approximately 12% of these stores have no sales at all.

ECOM GENIE PARTNERS WITH PROFITABLE AUTOMATION

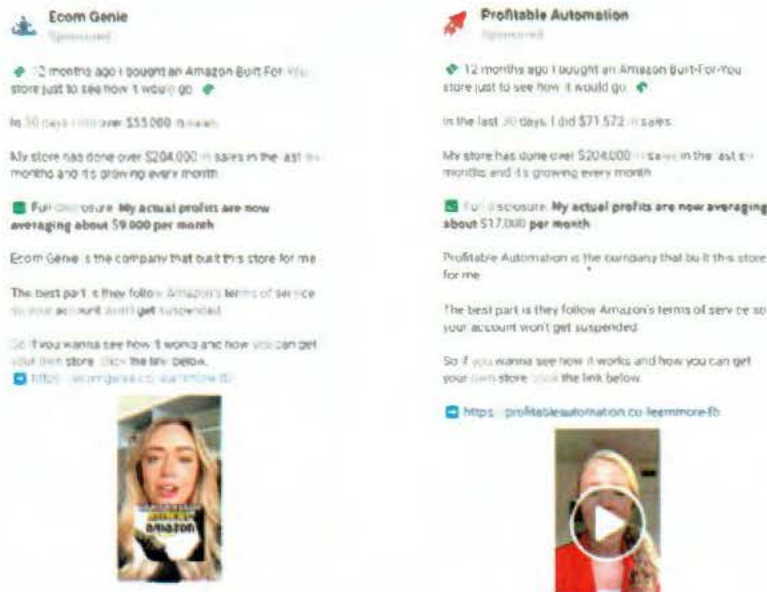
81. In October 2023, Trevor Duffy Young incorporated Profitable Automation in Ohio. Profitable Automation sells virtually the same business opportunity previously offered by Valiant, Lunar, and Ecom Genie.

82. While appearing at first blush to be a separate business, Profitable Automation works in tandem with Ecom Genie and Mayer to advertise business opportunities to consumers using unsubstantiated earnings claims.

83. Jacob McCrae, who has also worked as a sales agent for Ecom Genie (and before that Lunar and in some capacity at Valiant), works as a sales agent at Profitable Automation.

84. Additionally, of all the money that comes into Profitable Automation’s known bank accounts (on which Young has signatory authority)—almost exclusively in the form of payments from consumers—about two thirds is then transferred to Ecom Genie. In June 2024, more than 80% of the money that came into Ecom Genie’s bank accounts (setting aside transfers from other Ecom Genie accounts) came from Profitable Automation.

85. Profitable Automation shares with Ecom Genie a common business model and marketing. For example, both Profitable Automation and Ecom Genie share substantially the same scripted video testimonials on social media (captured from the Facebook ad library on October 17, 2023):



86. Profitable Automation’s introductory sales pitch video, which is narrated by Young, has several slides that are nearly identical to Ecom Genie’s and Lunar’s videos, including the claims that the company can scale private clients’ Amazon stores to “4, 5, 6, or even 7 figures.” The video likewise features nearly identical “test” stores, including one that purportedly earned \$40,000 in sales within 14 days and \$136,000 in 30 days, and another that

purportedly earned \$218,000 in sales and \$33,000 in profit for the client within the first 30 days.

87. Young narrates several other marketing videos, including one claiming purchasers can earn “thousands a month, so that you can live the life you deserve.” He sends emails marketing to prospective purchasers claiming they will “make passive income while [they] sleep.” And he assures prospective purchasers that the program is “100% satisfaction guaranteed meaning that if you aren’t happy, we give you your money back.”

88. In the marketing of its business opportunity, including the examples above, Profitable Automation fails to include information required by the Business Opportunity Rule, such as the beginning and ending dates when represented earnings were achieved and the number and percentage of all persons who purchased Profitable Automation’s business opportunity prior to that ending date who achieved at least the stated level of earnings.

89. Profitable Automation does not provide prospective purchasers with mandatory disclosures required by the Business Opportunity Rule, including a document substantiating the earnings and profit claims that the company makes in its advertisements and materials provided to prospective purchasers, or by company representatives communicating with prospective purchasers. In addition, Profitable Automation does not provide prospective purchasers with a list of purchasers and contact information of individuals who purchased the business opportunity within the last three years.

90. Profitable Automation also does not provide prospective purchasers with a document, required under the Business Opportunity Rule, stating whether the company, any of its prior or affiliate companies, or any of the company’s officers or directors has been subject to civil or criminal action for misrepresentation, fraud, securities law violations, or unfair or deceptive practices, including violations of any FTC rule, within the previous ten years. If it had complied with the Rule, consumers would have been on notice of Valiant, Lunar and Mayer’s

litigation history, transparency that would have allowed prospective purchasers to make a more informed decision about whether to purchase the business opportunity.

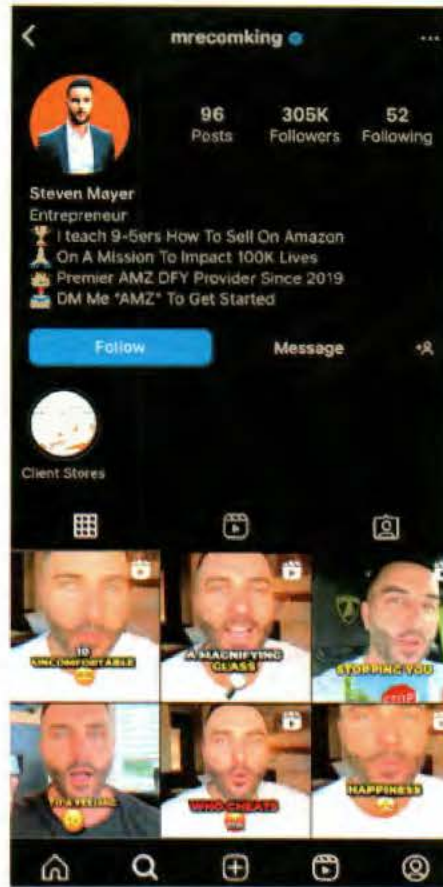
91. As with the business model used by Ecom Genie, Lunar and Valiant, it is virtually impossible for a purchaser to achieve the earnings described in Profitable Automation's marketing.

MAYER'S USE OF SOCIAL MEDIA TO ADVANCE THE SCHEME

92. Defendants' success at bilking consumers out of millions of dollars to purchase sham business opportunities can be at least partially understood in the context of the online image Mayer cultivated, and continues to cultivate, to lend credibility to Defendants' scam. In the period leading up to and encompassing Defendants' conduct, Mayer, often using the handle @mrecomking, has used social media platforms like TikTok, Instagram, Facebook, and YouTube to promote his image and, in turn, drive sales of Defendants' business opportunities.

93. From the beginning, Mayer has utilized his personal online presence to drive growth of Ecom Genie, Lunar and Valiant. Around the time he founded Valiant, Mayer had a popular YouTube channel where he displayed the trappings of a luxury lifestyle that he impliedly maintained with his own e-commerce Amazon stores. He then leveraged the trust of his followers by pitching them a business opportunity, selling it as an exclusive chance to partner with him through his new business venture Valiant.

94. Advertising himself as a "Premier AMZ DFY [Amazon Done For You] Provider Since 2019," Mayer encourages his 300,000+ Instagram followers to direct message him "to get started" (captured from Instagram on June 25, 2024):



95. To this day, Mayer, under his TikTok handle @mrecomking, advertises “1 Billion+ in products sold for clients,” directly above a link to ecomgenie.co.

ONGOING RISK OF HARM

96. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission because, among other things: Defendants have engaged in their unlawful acts or practices over a period of several years; Defendants have engaged in their unlawful acts or practices knowingly; Defendants have earned at least \$12.1 million from participating in these unlawful acts or practices; and Defendants not only continued their unlawful acts or practices despite knowledge of numerous complaints and lawsuits, but repeatedly shut down and relaunched their unlawful scheme under a new name.

VIOLATIONS OF THE FTC ACT

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

98. 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 Earnings Claims (Against All Defendants)

99. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants’ business opportunities, Defendants represent or have represented, directly or indirectly, expressly or by implication, that purchasers of Defendants’ business opportunities are likely to earn substantial income.

100. Defendants’ representations, as described in Paragraph 99, are false or misleading or were not substantiated at the time the representations were made.

101. Therefore, Defendants’ representations as described in Paragraph 99, constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II Misrepresentations with Regard to Refund Guarantee (Against Mayer and Lunar)

102. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants’ business opportunities, Defendants Mayer and Lunar represent or have represented, directly or indirectly, expressly or by implication, that purchasers of Defendants’ business opportunities are protected by a refund or buy-back guarantee if the purchasers’ stores fail to earn threshold monetary amounts within a specified timeframe.

103. Defendants Mayer and Lunar’s representations as described in Paragraph 102 are false or misleading.

104. Therefore, Defendants Mayer and Lunar's representations, as described in Paragraph 102, constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

VIOLATIONS OF THE BUSINESS OPPORTUNITY RULE

105. The amended Business Opportunity Rule, 16 C.F.R. Part 437, which was extended in scope to cover certain work-at-home opportunities, became effective on March 1, 2012, and has since that date remained in full force and effect.

106. Defendants are "sellers" who, as described in Paragraphs 24 to 96, have sold or offered to sell "business opportunities" as defined by the Business Opportunity Rule, 16 C.F.R. § 437.1(c) and (q). Under the Business Opportunity Rule, a "seller" is a person who offers for sale or sells a business opportunity. 16 C.F.R. § 437.1(q). Under the Rule, a "business opportunity" means a "commercial arrangement" in which a "seller solicits a prospective purchaser to enter into a new business;" the "prospective purchaser makes a required payment;" and the "seller, expressly or by implication, orally or in writing, represents that the seller or one or more designated persons will . . . [p]rovide outlets, accounts, or customers, including, but not limited to, Internet outlets, accounts, or customers, for the purchaser's goods or services[.]" 16 C.F.R. § 437.1(c).

107. Among other things, the Business Opportunity Rule requires sellers to provide prospective purchasers with a disclosure document in the form and using the language set forth in the Business Opportunity Rule and its Appendix A, and any required attachments. In the disclosure document, the seller must disclose to prospective purchasers five categories of information, including: basic identifying information about the seller, any earnings claims the seller makes, the seller's litigation history, any cancellation or refund policy the seller offers, and contact information of prior purchasers. 16 C.F.R. § 437.3(a)(1)–(5). Furthermore, this

information must be disclosed at least seven (7) days before the prospective purchaser signs a contract or makes a payment. 16 C.F.R. § 437.2. The pre-sale disclosure of this information enables a prospective purchaser to contact prior purchasers and take other steps to assess the potential risks involved in the purchase of the business opportunity.

108. Defendants, as described in Paragraphs 52, 53, 55, 58, 71 to 73, and 85 to 87, have made earnings claims in connection with the sale of their business opportunities, as defined by the Business Opportunity Rule, 16 C.F.R. § 437.1(f). Under the Business Opportunity Rule, an “earnings claim” means “any oral, written, or visual representation to a prospective purchaser that conveys, expressly or by implication, a specific level or range of actual or potential sales, or gross or net income or profits.” 16 C.F.R. § 437.1(f).

109. The Business Opportunity Rule prohibits sellers from making earnings claims unless the seller: (1) has a reasonable basis for the claim at the time it is made; (2) has in its possession written materials to substantiate the claim at the time it is made; (3) furnishes an earnings claim statement to prospective purchasers in conjunction with the disclosure document, containing, among other things, information regarding the time frame captured by the earnings claim, the characteristics of the purchasers, and the number and percentage of all persons who purchased the business opportunity within the time frame who achieved at least the stated level of earnings; and (4) makes written substantiation of the earnings claim available to any prospective purchaser who requests it. 16 C.F.R. § 437.4(a).

110. Defendants, as described in Paragraph 52, 53, 71 to 73, and 85 to 87, have also made earnings claims in connection with the sale of their business opportunities in the general media, as defined by the Business Opportunity Rule, 16 C.F.R. § 437.1(h). Under the Business Opportunity Rule, “general media” means “any instrumentality through which a person may communicate with the public, including, but not limited to, television, radio, print, Internet,

billboard, Web site, commercial bulk email, and mobile communications.” 16 C.F.R. § 437.1(h).

111. The Business Opportunity Rule prohibits sellers from making earnings claims in the general media unless the seller has a reasonable basis for and written substantiation of any earnings claims and states in immediate conjunction with those claims the beginning and ending dates when the represented earnings were achieved, and the number and percentage of all persons who purchased Defendants’ business opportunity prior to that ending date who achieved at least the stated level of earnings. 16 C.F.R. § 437.4(b).

112. Defendants Mayer and Lunar, as described in Paragraphs 52 and 56, have made representations regarding the terms or conditions of their refund or cancellation policies in connection with the sale of their business opportunities.

113. The Business Opportunity Rule prohibits sellers from misrepresenting any term or condition of the seller’s refund or cancellation policies. 16 C.F.R. § 437.6(k).

114. Pursuant to Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the Business Opportunity Rule constitutes an unfair or deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III
Misrepresentations Regarding Income or Profits
(Against All Defendants)

115. In numerous instances in connection with the offer for sale, sale, or promotion of business opportunities, Defendants have misrepresented the amount of sales, or gross or net income or profits a prospective purchaser may earn or that prior purchasers have earned.

116. Therefore, Defendants’ acts or practices, as described in Paragraph 115, violate the Business Opportunity Rule, 16 C.F.R. § 437.6(d), and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT IV
Disclosure Document Violations
(Against All Defendants)

117. In numerous instances in connection with the offer for sale, sale, or promotion of business opportunities, Defendants have failed to furnish prospective purchasers with a disclosure document and any required attachments within the time period prescribed by the Business Opportunity Rule.

118. Therefore, Defendants' acts or practices, as described in Paragraph 117, violate the Business Opportunity Rule, 16 C.F.R. §§ 437.2 and 437.3(a), and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT V
Earnings Claims to Prospective Purchasers Violations
(Against All Defendants)

119. In numerous instances in connection with the offer for sale, sale, or promotion of business opportunities, Defendants have made earnings claims to prospective purchasers while, among other things: (1) lacking a reasonable basis for the earnings claim at the time it was made, (2) lacking written substantiation for the earnings claim at the time it was made, and (3) failing to provide an earnings claim statement to the prospective purchasers, as required by the Business Opportunity Rule.

120. Therefore, Defendants' acts or practices, as described in Paragraph 119, violate the Business Opportunity Rule, 16 C.F.R. § 437.4(a), and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT VI
General Media Earnings Claims Violations
(Against Mayer, Young, Profitable Automation, Ecom Genie, and Lunar)

121. In numerous instances in connection with the offer for sale, sale, or promotion of business opportunities, Defendants Mayer, Young, Profitable Automation, Ecom Genie, and

Lunar have made earnings claims in the general media while failing to state in immediate conjunction with those claims the beginning and ending dates when the represented earnings were achieved, and the number and percentage of all persons who purchased Defendants' business opportunity prior to that ending date who achieved at least the stated level of earnings.

122. Therefore, Defendants Mayer, Young, Profitable Automation, Ecom Genie, and Lunar's acts or practices, as described in Paragraph 121, violate the Business Opportunity Rule, 16 C.F.R. § 437.4(b), and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT VII
Misrepresentations Regarding Refund or Cancellation Policy
(Against Mayer and Lunar)

123. In numerous instances in connection with the offer for sale, sale, or promotion of business opportunities, Defendants Mayer and Lunar have misrepresented terms or conditions of the sellers' refund or cancellation policies.

124. Therefore, Defendants Mayer and Lunar's acts or practices, as described in Paragraph 123, violate the Business Opportunity Rule, 16 C.F.R. § 437.6(k), and Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count VIII
(Against Relief Defendants)

125. Relief Defendants Alpine, Baiz Sales, Salespreneurs, and Vicenza (collectively, "Relief Defendants") have each received, directly or indirectly, funds or other assets from Defendants that are traceable to funds obtained from Defendants' customers through the deceptive acts or practices described herein.

126. Relief Defendants are not bona fide purchasers with legal and equitable title to Defendants' customers' funds or other assets, and Relief Defendants will be unjustly enriched if they are not required to disgorge the funds or the value of the benefit received as a result of Defendants' deceptive acts or practices.

127. By reason of the foregoing, Relief Defendants hold funds and assets in constructive trust for the benefit of Defendants' customers.

CONSUMER INJURY

128. Consumers are suffering, have suffered, and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the Business Opportunity Rule. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and harm the public interest.

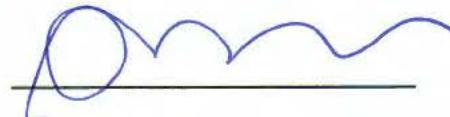
PRAYER FOR RELIEF

Wherefore, the FTC requests that the Court:

- A. Enter a permanent injunction to prevent future violations of the FTC Act and the Business Opportunity Rule.
- B. Grant temporary and preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including temporary and preliminary injunctions, an order freezing assets, immediate access to Defendants' business premises, and the appointment of a receiver.
- C. Award monetary and other relief within the Court's power to grant.
- D. Enter an order against Relief Defendants awarding monetary and other relief, but not injunctive relief.
- E. Award any additional relief as the Court determines to be just and proper.

Respectfully submitted,

Dated: 10/15/2024



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