

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Lina M. Khan, Chair**
 Rebecca Kelly Slaughter
 Alvaro M. Bedoya

| | | |
|--------------------------------------|---|-------------------------|
| In the Matter of |) | |
| |) | |
| CIVIL INVESTIGATIVE DEMAND TO |) | File No. 2123090 |
| MATTHEW C. THAYER |) | PUBLIC VERSION |
| DATED MARCH 20, 2023. |) | |
| |) | |

**ORDER DENYING PETITION TO QUASH OR LIMIT
CIVIL INVESTIGATIVE DEMAND**

By BEDOYA, Commissioner:

Matthew Thayer petitions the Commission to quash or limit a Civil Investigative Demand (“CID”) issued on March 20, 2023. The CID was issued in connection with the Commission’s investigation of International Markets Live, Inc. (“IML”), a multi-level marketing company that markets and sells financial educational products to consumers purporting to teach them how to make money. The investigation seeks to determine whether IML and its principals have violated Section 5 of the Federal Trade Commission Act, the Business Opportunity Rule, or other statutes or rules enforced by the Commission. Mr. Thayer is a former IML instructor and salesperson. The CID seeks information from him as a third-party; he is not presently a target of the investigation.

On April 10, 2023, Mr. Thayer filed with the Commission a petition to quash or limit the CID. The petition makes two arguments: (1) that the CID fails to comply with 15 U.S.C. § 57b-1(c)(2), which requires that the CID “state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation”; and (2) that the CID’s requests are vague, overbroad, and disproportionate.

For the reasons stated below, the Commission denies the petition.

I. BACKGROUND

IML is a private multi-level marketing company headquartered in Las Vegas, Nevada. Since 2013, IML, through a network of distributors (known as independent business owners or “IBOs”), has been selling education programs that purport to teach consumers how to make money trading in the foreign exchange, cryptocurrency, stock, and binary options markets, and through ecommerce.

Mr. Thayer served as both an instructor and salesperson for IML until the Fall of 2021. In his role as an instructor, Mr. Thayer presented numerous investment training sessions for IML’s customers. During these training sessions, which are livestreamed for consumers on IML’s members-only website, instructors purported to execute live high-frequency option trades with attendant commentary that allegedly taught consumers how to successfully execute such trades themselves in financial markets. Mr. Thayer held himself out as a successful trader and touted himself on social media as having obtained trading success.

The Commission initially issued a CID to Mr. Thayer in June 2022 but did not succeed in locating him to accomplish service until November 2022. *See* Petition at 1, n.1. FTC staff then engaged in discussions with Mr. Thayer’s counsel regarding an extension of time for Mr. Thayer to respond to the CID. But after a month of seeming engagement with staff, Mr. Thayer’s counsel broke off those discussions, arguing that the CID was unenforceable due to the delay in service. *Id.* In the interests of moving forward expeditiously, the Commission issued a new CID to Mr. Thayer on March 20, 2023, requiring him to produce documents by April 19, 2023. Petition Exhibit (“Ex.”) A. On March 21, Mr. Thayer’s counsel accepted service for Mr. Thayer. Petition at 1.

As described in the CID, Commission staff is investigating:

Whether [IML] ..., or persons or entities associated with [IML], are engaged in deceptive or unfair acts or practices in connection with the marketing of goods or services on the Internet or in connection with the advertising, marketing, or sale of business opportunities, in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended; the Business Opportunity Rule, 16 C.F.R. Part 437; or any other statute or rule enforced by the Commission ...

Petition, Ex. A at 6 (“Subject of Investigation”). The CID attached two Commission resolutions authorizing issuance of compulsory process, which further describe the “Nature and Scope of the Investigation” as follows:

Resolution Directing Use of Compulsory Process In A Nonpublic Investigation Into The Acts Or Practices Of Unnamed Persons, Partnerships And Corporations Engaged In The Sale Of Business Opportunities * * * To determine whether unnamed persons, partnerships, corporations, or others have engaged or are engaging in deceptive or unfair acts or practices in or affecting commerce in the advertising, marketing or sale of business opportunities in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended or the Business Opportunity Rule, 16 C.F.R. Part 437.

Resolution, File No. 1223111 (March 14, 2019), at p. 22 of CID package.¹

¹ The copy of the CID attached to the Petition as Ex. A omits this page. Therefore, we are attaching the complete CID to this order.

Resolution Directing Use of Compulsory Process Regarding Deceptive and Manipulative Conduct on the Internet * * * To determine whether any persons, partnerships, corporations, or others have been or are engaged in unfair, deceptive, anticompetitive, collusive, coercive, predatory, exploitative, or exclusionary acts or practices, in or affecting commerce, relating to the marketing of goods and services on the Internet . . . in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended, or any statutes or rules enforced by the Commission

Resolution, File No. 2123125 (September 2, 2021), at p. 23 of CID package.

On April 5, 2023, Mr. Thayer’s counsel met and conferred with FTC staff regarding the CID, raising three issues. First, counsel asserted that the CID did not provide Mr. Thayer with adequate notice of the scope or purpose of the investigation. Second, counsel objected that various requests were vague and overbroad. Third, counsel advised that Mr. Thayer was reserving his Fifth Amendment right not to respond to interrogatories or document requests.² *See* Petition at 2-3. Additionally, counsel requested an extension of the April 10, 2023, deadline to file a petition to quash. Staff determined that further delay was not justified and declined to grant an extension. On April 10, 2023, Mr. Thayer filed a petition to quash or limit the CID with the Commission.

Before turning to the details of Mr. Thayer’s petition, we note two deficiencies in the petition. First, Commission Rule 2.10(a)(1) states that petitions to quash “shall set forth all assertions of protected status or other factual and legal objections to the Commission compulsory process, including all appropriate arguments, affidavits, and other supporting documentation.” 16 C.F.R. § 2.10(a)(1). Mr. Thayer’s petition contains argument, but the petition fails to provide affidavits or other support. We have not been provided factual evidence by Mr. Thayer to assess the arguments in the petition.

Second, the Petition does not include a separate statement representing that petitioner engaged in a good faith effort to resolve issues during the meet-and-confer discussion with FTC staff and specifying—in “a nonargumentative manner”—the issues that were raised but not resolved. *See* 16 C.F.R. § 2.10(a)(2). Instead, the Petition attaches a series of email messages between counsel for Mr. Thayer and FTC staff arranging a time for a meet and confer discussion. Petition package at 39-41. But this correspondence does not demonstrate the particulars of the discussion. Again, we have only the arguments in the petition. This deficiency is significant; the

² Mr. Thayer does not raise Fifth Amendment concerns as a reason to quash the CID. Consequently, we do not address the issue. Similarly, the Petition states that during the meet and confer, counsel objected to the CID “to the extent any request may be construed as seeking information protected by attorney-client privilege and the work product doctrine.” Petition at 3. Again, this issue was not presented to the Commission as a reason to quash the CID. While we need not address the issue, we question the merit of this objection because the CID Instructions describe a process for withholding privileged materials from production. *See* Instruction I-2 at p. 15 of CID package. *See also* Commission Rule 2.11, 16 C.F.R. § 2.11.

Commission’s rules provide that “[f]ailure to include the required statement may result in a denial of the petition.” *Id.*

Despite the deficiencies, however, we consider the merits of Mr. Thayer’s petition.

II. ANALYSIS

Compulsory process, such as a CID, is proper if the inquiry is within the authority of the agency, the demand is not too indefinite, and the information sought is reasonably relevant to the inquiry. *United States v. Morton Salt Co.*, 338 U.S. 632, 652 (1950); *FTC v. Invention Submission Corp.*, 965 F.2d 1086, 1089 (D.C. Cir. 1992); *FTC v. Texaco, Inc.*, 555 F.2d 862, 874 (D.C. Cir. 1977).

A. The Notice Provided to Mr. Thayer in the CID

Mr. Thayer contends that the CID fails to comply with a statutory requirement to provide the recipient with notification of the nature of the alleged illegal conduct under investigation and the provisions of law that apply. Petition at 5-9. We disagree.

The FTC Act requires that “[e]ach civil investigative demand . . . state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” 15 U.S.C. § 57b-1(c)(2). Similarly, Commission Rule 2.6 requires “[a]ny person . . . requested to furnish information or documentary material . . . be advised of the purpose and scope of the investigation, the nature of the acts or practices under investigation, and the applicable provisions of law.” 16 C.F.R. § 2.6. Under Commission rules, a Commission resolution authorizing the use of compulsory process, which accompanies a CID, describes the nature of the investigation.

Courts and the Commission have found that a general description of the nature of the investigation is sufficient to provide adequate notice to CID recipients. For instance, courts have found sufficient notice of the scope and nature of an investigation when a resolution described the subject as:

- Firms who sell “business opportunities . . . to consumers [and] have been or are engaged in unfair or deceptive acts or practices in violation of 16 C.F.R. 436 and/or Section 5 of the Federal Trade Commission Act,” *FTC v. Nat’l Claims Serv., Inc.*, No. S 98-283 FCD DAD, 1999 WL 819640, at *2 (E.D. Cal. Feb. 9, 1999);
- “whether unnamed consumer reporting agencies or others may be engaged in acts or practices in violation of Section 5 of the Federal Trade Commission Act . . . and the Fair Credit Reporting Act,” *FTC v. O’Connell Assocs., Inc.*, 828 F. Supp. 165, 170-71 (E.D.N.Y. 1993).

See also Responses to Petitions to Quash or Limit Compulsory Process Unnamed Telemarketers, 155 F.T.C. 1657, 2013 WL 8364926, at *3 (2013) (resolution’s statement of purpose and scope “to determine whether telemarketers, sellers, or others assisting them have or are violating

Section 5 of the FTC Act . . . or the Telemarketing Sales Rule . . . is more than sufficient under applicable standards, and courts have enforced compulsory process issued under similar resolutions”).

A broadly worded description of the investigation is sufficient because, at the investigation stage of a case, the Commission has only a “suspicion that the law is being violated in some way.” *FTC v. Invention Submission Corp.*, 965 F.2d at 1090. Consequently, the boundaries of investigations may be drawn “quite generally,” *FTC v. O’Connell Assocs., Inc.*, 828 F. Supp. 165, 170-71 (E.D.N.Y. 1993), and the FTC “is under no obligation to propound a narrowly focused theory of a possible future case.” *D.R. Horton, Inc./Lennar Corp.*, 149 F.T.C. 1625, 2010 WL 9434832, at *2 (2010) (quoting *FTC v. Texaco, Inc.*, 555 F.2d at 862, 874 (D.C. Cir. 1977)).

Here, the CID issued to Mr. Thayer, together with the two attached resolutions, provides sufficient notice of both the nature of the conduct the Commission is investigating and the provisions of law applicable to a potential violation. First, the CID specifies that FTC staff is investigating “whether [IML] . . . or persons or entities associated with [IML] are engaged in deceptive or unfair acts or practices” with regard to “the marketing of goods or services on the Internet” and “the advertising, marketing, or sale of business opportunities.” Second, the CID identifies the applicable provisions of law, namely “Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended; [and] the Business Opportunity Rule, 16 C.F.R. Part 437.”

Mr. Thayer errs in likening the notice in his CID to the notices found inadequate in two recent cases involving CIDs issued by the Consumer Financial Protection Bureau (“CFPB”). *See CFPB v. Accrediting Council for Indep. Colleges & Schs.*, 854 F.3d 683, 692 (D.C. Cir. 2017) (“*ACICS*”); *CFPB v. Source for Pub. Data, L.P.*, 903 F.3d 456, 460 (5th Cir. 2018) (“*Public Data*”). The *ACICS* CID stated that “the purpose of this investigation is to determine whether any entity or person has engaged or is engaging in unlawful acts and practices in connection with accrediting for-profit colleges,” in violation of the Consumer Financial Protection Act. *ACICS*, 854 F.3d 686. The court found that the CID failed to “explain[] what the broad non-specific term ‘unlawful acts and practices’ mean[t] in this investigation,” where the CFPB admittedly “lack[s] statutory authority over the accreditation process of for-profit colleges.” *Id.* at 690-91. The *Public Data* CID stated that the “purpose of this investigation is to determine whether consumer reporting agencies, persons using consumer reports, or other persons have engaged or are engaging in unlawful acts and practices in connection with the provision or use of public records information,” in violation of the Fair Credit Reporting Act. *Public Data*, 903 F.3d at 458. There as well, the court found the reference to “unlawful acts or practices” insufficiently descriptive of the conduct under investigation. *Id.* at 458-59.

Here, the Commission’s CID to Mr. Thayer identifies the actors and the particular types of activities under investigation. It specifies the target of the investigation: IML or persons or entities associated with it. Furthermore, the CID’s notice of investigation refers explicitly to IML’s possible “unfair or deceptive” “marketing of business opportunities” and “marketing of goods or services on the Internet,” which is more specific than the generalized references to “unlawful acts or practices” in the CFPB CIDs. The marketing of business opportunities online is a well-defined category of conduct, and the FTC has a long history of bringing enforcement

actions against deceptive online business opportunities. This contrasts with the facts in *ACICS*, where the CFPB was found to lack statutory authority over ACICS’s business activities referenced in the CID. *See ACICS*, 854 F.3d at 691 (explaining that even if the CFPB “has an interest in the ‘possible connection’ and ‘intersection’ between the lending practices of ACICS-accredited institutions and the accreditation process. . . , that interest does not appear on the face of the Notification of Purpose”). *See also CFPB v. Heartland Campus Sols., ECSI*, 747 F. App’x 44, 49-50 (3d Cir. 2018) (finding sufficient notification in CFPB CID and distinguishing *ACICS*).

Other cases cited by Mr. Thayer similarly fail to support his challenge to the CID’s notice. *Montship Lines, Ltd. v. Federal Maritime Board* concerned an order of the Federal Maritime Board under the Shipping Act, not a CID, and the relevant order did “not state the purpose for which the information is demanded,” unlike here. 295 F.2d 147, 154-55 (D.C. Cir. 1961). In *FTC v. Carter*, the D.C. Circuit upheld the enforcement of the FTC’s subpoena in part because the subpoena “defined the application of section 5 in the Resolution by relating it to the subject matter of the investigation”—just as the CID to Mr. Thayer does. 636 F.2d 781, 788 (D.C. Cir. 1980). The court in *In re Sealed Case* held that the scope of the subpoena to pursue “other wrongdoing, as yet unknown” was not sufficient to require recipients to produce private financial documents. 42 F.3d 1412, 1418 (D.C. Cir. 1994). The CID to Mr. Thayer contains no such language.

We find that the CID issued to Mr. Thayer, accompanied by two Commission resolutions, provides sufficient notice of the nature of the conduct under investigation. Consequently, we deny the request to quash the CID in its entirety.

B. Mr. Thayer’s Request to Limit the Scope of the CID

Alternatively, Mr. Thayer asks the Commission to limit numerous specifications in the CID, claiming that the requests seek information that is not relevant to the investigation and that the requests are overbroad, vague, and burdensome. Mr. Thayer makes four categories of requests. None are meritorious.

1. Request to strike certain specifications as irrelevant

Mr. Thayer asks the Commission to strike Interrogatories Nos. 1-3, 5-8, 22 and 29 and Document Request Nos. 15, 16, and 23, claiming that they seek information “that exceed[s] the purported notification of purpose identified in the CID” and are thus overbroad. Petition at 11. He argues that specifications that ask about his activities apart from IML cannot be relevant to an investigation of IML and affiliated parties.

We find Mr. Thayer’s objection to be without merit. In the context of an administrative CID, “relevance” is defined broadly and with deference to an administrative agency’s determination. *FTC v. Church & Dwight Co., Inc.*, 665 F.3d 1312, 1315-16 (D.C. Cir. 2011); *FTC v. Ken Roberts Co.*, 276 F.3d 583, 586 (D.C. Cir. 2001). An administrative agency is to be accorded “extreme breadth” when conducting an investigation. *Linde Thomsen Langworthy Kohn & Van Dyke, P.C. v. RTC*, 5 F.3d 1508, 1517 (D.C. Cir. 1993). As the D.C. Circuit

explained, the standard for judging relevance in an administrative investigation is broader and “more relaxed” than in an adjudicatory proceeding. *Invention Submission Corp.*, 965 F.2d at 1090. The Commission’s compulsory process can demand documents or information “relevant to the investigation—the boundary of which may be defined quite generally” by the Commission. *Id.* The material sought need only be “reasonably relevant” to the agency investigation and an agency explanation that the information is relevant will be upheld where the agency’s explanation is “not ‘obviously wrong,’” *Texaco*, 555 F.2d at 876, 877 n.32. *See FTC v. Church & Dwight Co., Inc.*, 747 F. Supp.2d 3, 5-7 (D.D.C. 2010) (agency compulsory process upheld where agency’s explanation of relevance was “not ‘obviously wrong’”), *aff’d*, 665 F.3d 1312 (D.C. Cir. 2011); *FTC v. Carter*, 636 F.2d, 781, 788 (D.C. Cir. 1980).

Mr. Thayer served as both an instructor and distributor for IML, which informs the relevance of interrogatories and document requests. We consider each specification that Mr. Thayer asks us to strike.

Interrogatories 1, 2, and 3 seek information about Mr. Thayer’s training and engagement in trading and financial markets, which is relevant to claims IML made to consumers about Mr. Thayer’s trading experience.

Interrogatory 5 concerns Mr. Thayer’s involvement with other multi-level marketing firms, which is relevant to determine Mr. Thayer’s background as a trader or a seller of multi-level marketing products.

Interrogatories 6, 7, and 8 seek information about any lawsuits or investigations filed against Mr. Thayer or IML, which is relevant in light of IML’s prior involvement in numerous proceedings as well as being relevant to whether Mr. Thayer had prior notice of any unlawful conduct that would warrant a federal court injunction or civil penalties.

Interrogatories 22 and 29 request information regarding income Mr. Thayer received from sources other than IML or trading from 2019 to 2022. This information is relevant to understand other activities Thayer may be involved in other than trading, such as selling other MLM products, or marketing of his own business.

Document Requests 15 and 16 seek statements showing trading and simulated trading by Mr. Thayer, which is relevant to Mr. Thayer’s experience and the content of IML training sessions.

Document Request 23 seeks communications regarding media stories and various enforcement actions by the FTC. These communications are relevant to whether Mr. Thayer and IML had notice of concerns about conduct and the boundaries of lawful conduct.

Given the relevance of the information sought by each of the contested specifications, we do not strike Interrogatories Nos. 1-3, 5-8, 22, and 29 and Document Request Nos. 15, 16, and 23.

2. Request to limit the scope of certain specifications

Mr. Thayer asks the Commission to limit Interrogatory Nos. 2, 5-8, 19-20, 26-28, 34, 39, 42-44, 47, and 48 and Document Request Nos. 3-6, 8-16, and 20-23 “to the specific information and documents being sought by the FTC.” Petition at 16. Mr. Thayer complains that requests are “too indefinite” and “overbroad.”

Mr. Thayer implicitly acknowledges that the specifications seek relevant information. He argues, however, that the breadth of the specifications will yield information beyond what the investigation seeks, contending that this makes the specifications over-inclusive. In particular, Mr. Thayer asserts that specifications that request “all documents” or “all communications” or use phrases such as “related to” and “concerning” are overbroad. Petition at 9-11.

“[B]roadness alone is not sufficient justification to refuse enforcement of a subpoena so long as the material sought is relevant.” *Adams v. FTC*, 296 F.2d 861, 867 (8th Cir. 1961). Relatedly, as the D.C. Circuit has noted, “[s]ome burden on subpoenaed parties is to be expected and is necessary in furtherance of the agency’s legitimate inquiry and the public interest.” *Texaco*, 555 F.2d at 882; *see also FTC v. Shaffner*, 626 F.2d, 38 (7th Cir. 1980) (“Needless to say, any subpoena places a burden on the person to whom it is directed. Time must be taken from normal activities and resources must be committed to gathering the information necessary to comply. Nevertheless, the presumption is that compliance should be enforced to further the agency’s legitimate inquiry into matters of public interest.”). “Thus, courts have refused to modify investigative subpoenas unless compliance threatens to unduly disrupt or seriously hinder normal operations of a business.” *Texaco*, 555 F.2d at 882. For such a showing, the CID recipient bears the burden of showing that the CID imposes an undue burden. *See FTC v. Standard American, Inc.*, 306 F.2d 231, 235 (3d Cir. 1962) (citing *Oklahoma Press Publ’g Co. v. Walling*, 327 U.S. 186, 217-18 (1946)).

Mr. Thayer offers only conclusory arguments regarding his contention that the specifications are over-inclusive. While Mr. Thayer provides a list of interrogatories and document requests that he alleges are “grossly overbroad and disproportionate,” he fails to explain why each request is overbroad. In addition, as previously discussed, the Petition failed to include affidavits or other material that might provide factual support for claims of overbreadth or undue burden. Similarly, without an affidavit or a statement describing the meet-and-confer discussion, we cannot discern whether Mr. Thayer proposed modifications to the specifications that would remedy the claimed overbreadth. As the Supreme Court has explained, a petitioner challenging the reasonableness of a Commission demand bears the burden of making a record to show the “measure of their grievance” and cannot simply “ask us to assume it.” *Morton Salt*, 338 U.S. at 654.

The cases cited by Mr. Thayer are not persuasive. In particular, the cases do not stand for the proposition that use of the words “all” or “any” in a request renders it overbroad. In *Nallapaty v. Nallapati*, the court found that a request for “[a]ny document, including communications, relating to [a topic],” that “contains no limitation on temporal scope or the subject matter of the documents” is overbroad. No. 5:20-CV-470-BO, 2022 WL 1508885, at *5 (E.D.N.C. May 12, 2022). In contrast, here, most specifications in the CID are limited to the

period beginning November 1, 2019. In addition, the specifications delimit the subject matter sought. For example, Interrogatory 26 asks Petitioner to “[i]dentify all GoLive sessions (by date) at which You executed live trades in the markets, in whole or in part, as part of the presentation to consumers.” Other than using the word “all,” Mr. Thayer has not explained how such a request is overbroad, and the request is limited by the date range given in the CID: namely, from November 1, 2019, forward.

Petitioner also cites *Sadkhan v. Obama*, 608 F. Supp. 2d 33, 39 (D.D.C. 2009), but the court there found a document request for “all documents” unduly burdensome given the large number of documents involved and the significant number of documents already produced by the government. Here, Petitioner’s claim of burden is not accompanied by any information about the volume of documents involved.

3. Request to limit time period

Mr. Thayer asks that Interrogatory Nos. 1-2, 4-9, 34, 44, and 52-54 and Document Request Nos. 13 and 20-22 be limited to the time period generally applicable to specifications in the CID: the period beginning November 1, 2019. Petitioner explains that “the FTC is not entitled to information for an unlimited time period,” and contends that requests that extend beyond November 1, 2019 “are overbroad [and] untethered to the FTC’s stated purpose.” Petition at 11. We deny the request to limit these specifications. In each specification, the expanded time period is reasoned and justified. In addition, these specifications seek discrete, focused categories of information so the requests are not unbounded.

Interrogatories 1-2 and 4-8 are limited in scope and concern Thayer’s trading experience, training, licensure, and prior involvement in law enforcement investigations. Seeking information from the period before November 2019 makes sense because, for example, Mr. Thayer might have received his education and licenses, if any, before 2019.

Mr. Thayer’s involvement with IML predates November 2019. Consequently, Interrogatory Nos. 9, 34, 44, and 52-54, which seek relevant information about Mr. Thayer’s relationship with IML, reasonably demand information from the entire duration of Mr. Thayer’s involvement with the company. In particular, Interrogatory 9 asks how Mr. Thayer first became affiliated with IML. Interrogatory 34 asks Petitioner to describe any training he received from IML. Interrogatory 44 asks for a description of audits and compliance reviews IML conducted of Thayer’s work. Interrogatories 52 and 53 ask for the means and details about those means that Mr. Thayer used to communicate about IML or IML’s employees. Interrogatory 54 asks about instances when Mr. Thayer or IML destroyed transcripts of GoLive training sessions. Placing a time limitation that begins on November 1, 2019, on these requests does not make sense when the particular activities may have occurred earlier during Mr. Thayer’s tenure at IML, which began before November 2019.

Similarly, the document requests that Mr. Thayer challenges reasonably seek relevant material for a broader time period given Mr. Thayer’s involvement with IML before November 2019. Document Request 13 seeks all contracts with IML. Document Request 20 asks for documents about Mr. Thayer’s financial-instrument trading. Document Request 21 and 22 seek

documents regarding training Mr. Thayer provided to customers as an instructor and documents regarding training for IBOs. As Mr. Thayer's involvement with IML predates November 2019, and the requests are narrow in scope, a temporal limitation does not make sense for these document requests.

4. Request to define or clarify certain terms in the CID

Mr. Thayer argues that 79 words or phrases used in the CID are ambiguous and require definition or clarification. For instance, he asserts that he does not know who is in his "household" and does not know how to calculate his "net worth." Petition at 14.

As the Petition acknowledges, however, "a responding party is ordinarily required to exercise reason and common sense to attribute ordinary definitions to terms and phrases utilized in discovery." Petition at 15 (citing 23 Am. Jur. 2d Depositions and Discovery § 133 (citing *Johnson v. Kraft Foods N. Am., Inc.*, 238 F.R.D. 648, 66 Fed. R. Serv. 3d 1237 (D. Kan. 2006))). That instruction is appropriate here. Most of the words and phrases in question are commonly used and have an ordinary meaning. For example, we do not find ambiguity in the meaning of words such as "inquiries," "educator," "generally," "instructor," "arrangement," "use," "advertise," "market," "data," "enforce," or "about." Other phrases in the list use terminology, such as "IBO," that is used at IML; as a former instructor and distributor for IML, Mr. Thayer should have an understanding of the language.

III. CONCLUSION

For the foregoing reasons, **IT IS HEREBY ORDERED THAT** the Petition to Quash and/or Limit Civil Investigative Demand to Matthew Thayer be, and hereby is, **DENIED**.

IT IS FURTHER ORDERED THAT Matthew Thayer shall comply in full with the Commission's Civil Investigative Demand no later than **June 15, 2023**, or at such other date as the Commission staff may determine.

By the Commission.

April J. Tabor
Secretary

SEAL:
ISSUED: June 5, 2023

ATTACHMENT A



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

March 20, 2023

Via Electronic Mail

Matthew C. Thayer
c/o Jeffrey S. Gavenman, Esq.
Schulman Bhattacharya LLC
6116 Executive Blvd., Suite 425
North Bethesda, Maryland 20852
jgaven@schulmanbh.com

FTC Matter No. 2123090

Dear Mr. Thayer¹:

The Federal Trade Commission (“FTC”) has issued the attached Civil Investigative Demand (“CID”) asking for information as part of a non-public investigation. Our purpose is to determine whether the Company, as defined in the enclosed CID Schedule, or persons or entities associated with the Company, are engaged in deceptive or unfair acts or practices in connection with the marketing of goods or services on the Internet or in connection with the advertising, marketing, or sale of business opportunities, in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended; the Business Opportunity Rule, 16 C.F.R. Part 437; or any other statute or rule enforced by the Commission; and whether Commission action to obtain injunctive or monetary relief would be in the public interest. Please read the attached documents carefully. Here are a few important points we would like to highlight:

1. **Contact FTC counsel, Thomas Biesty ((202) 326-3043; tbiesty@ftc.gov), as soon as possible to schedule a telephone call to be held within 14 days.** During that telephone call, FTC counsel can address any questions or concerns you have regarding this CID, including whether there are changes to how you comply with the CID that would reduce your cost or burden while still giving the FTC the information it needs. Please read the attached documents for more information about that meeting.
2. **You must immediately stop any routine procedures for electronic or paper document destruction, and you must preserve all paper or electronic documents**

¹ This letter and the enclosed CID are being served on your attorney, who has represented that you have authorized him to accept service of process.

that are in any way relevant to this investigation, even if you believe the documents are protected from discovery by privilege or some other reason.

3. **The FTC will use information you provide in response to the CID for the purpose of investigating violations of the laws the FTC enforces.** We will not disclose the information under the Freedom of Information Act, 5 U.S.C. § 552. We may disclose the information in response to a valid request from Congress, or to other civil or criminal law enforcement agencies for their official law enforcement purposes. The FTC or other agencies may use and disclose your response in any civil or criminal proceeding, or if required to do so by law. However, we will not publicly disclose your information without giving you prior notice.
4. **Please read the attached documents closely.** They contain important information about how you should provide your response.

Please contact FTC counsel as soon as possible to set up an initial meeting. We appreciate your cooperation.

Very truly yours,



April J. Tabor
Secretary



CIVIL INVESTIGATIVE DEMAND

| | |
|---|----------------------------------|
| 1. TO Matthew C. Thayer c/o Jeffrey S. Gavenman, Esq. Schulman Bhattacharya LLC 6116 Executive Blvd., Suite 425 North Bethesda, Maryland 20852 | 1a. MATTER NUMBER 2123090 |
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This demand is issued pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. § 57b-1, in the course of an investigation to determine whether there is, has been, or may be a violation of any laws administered by the Federal Trade Commission by conduct, activities or proposed action as described in Item 3.

| | |
|--|--|
| 2. ACTION REQUIRED <input type="checkbox"/> You are required to appear and testify. | |
| LOCATION OF HEARING | YOUR APPEARANCE WILL BE BEFORE DATE AND TIME OF HEARING OR DEPOSITION |

- You are required to produce all documents described in the attached schedule that are in your possession, custody, or control, and to make them available at your address indicated above for inspection and copying or reproduction at the date and time specified below.
- You are required to answer the interrogatories or provide the written report described on the attached schedule. Answer each interrogatory or report separately and fully in writing. Submit your answers or report to the Records Custodian named in Item 4 on or before the date specified below.
- You are required to produce the tangible things described on the attached schedule. Produce such things to the Records Custodian named in Item 4 on or before the date specified below.

DATE AND TIME THE DOCUMENTS, ANSWERS TO INTERROGATORIES, REPORTS, AND/OR TANGIBLE THINGS MUST BE AVAILABLE
April 19, 2023 by 5pm ET

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| 3. SUBJECT OF INVESTIGATION See attached Schedule and attached resolutions |
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| 4. RECORDS CUSTODIAN/DEPUTY RECORDS CUSTODIAN Reeve Tyndall/Lois Greisman Org 1144, Mail Stop CC-6316 600 Pennsylvania Avenue, NW Washington, DC 20580 (202) 326-2452 | 5. COMMISSION COUNSEL Thomas M. Biesty Org 1144, Mail Stop CC-6316 600 Pennsylvania Avenue, NW Washington, DC 20580 (202) 326-2452 |
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| | |
|--------------------------|--|
| DATE ISSUED 3/20/2023 | COMMISSIONER'S SIGNATURE  |
|--------------------------|--|

INSTRUCTIONS AND NOTICES

The delivery of this demand to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply. The production of documents or the submission of answers and report in response to this demand must be made under a sworn certificate, in the form printed on the second page of this demand, by the person to whom this demand is directed or, if not a natural person, by a person or persons having knowledge of the facts and circumstances of such production or responsible for answering each interrogatory or report question. This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

PETITION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any petition to limit or quash this demand be filed within 20 days after service, or, if the return date is less than 20 days after service, prior to the return date. The original and twelve copies of the petition must be filed with the Secretary of the Federal Trade Commission, and one copy should be sent to the Commission Counsel named in Item 5.

YOUR RIGHTS TO REGULATORY ENFORCEMENT FAIRNESS

The FTC has a longstanding commitment to a fair regulatory enforcement environment. If you are a small business (under Small Business Administration standards), you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

The FTC strictly forbids retaliatory acts by its employees, and you will not be penalized for expressing a concern about these activities.

TRAVEL EXPENSES

Use the enclosed travel voucher to claim compensation to which you are entitled as a witness for the Commission. The completed travel voucher and this demand should be presented to Commission Counsel for payment. If you are permanently or temporarily living somewhere other than the address on this demand and it would require excessive travel for you to appear, you must get prior approval from Commission Counsel.

A copy of the Commission's Rules of Practice is available online at <http://bit.ly/FTCSRulesofPractice>. Paper copies are available upon request.

Form of Certificate of Compliance*

I/We do certify that all of the documents, information and tangible things required by the attached Civil Investigative Demand which are in the possession, custody, control, or knowledge of the person to whom the demand is directed have been submitted to a custodian named herein.

If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, the objections to its submission and the reasons for the objection have been stated.

If an interrogatory or a portion of the request has not been fully answered or a portion of the report has not been completed, the objections to its submission and the reasons for the objections have been stated.

Signature _____

Title _____

Sworn to before me this day

Notary Public

*In the event that more than one person is responsible for complying with this demand, the certificate shall identify the documents for which each certifying individual was responsible. In place of a sworn statement, the above certificate of compliance may be supported by an unsworn declaration as provided for by 28 U.S.C. § 1746.

**FEDERAL TRADE COMMISSION (“FTC”)
CIVIL INVESTIGATIVE DEMAND (“CID”) SCHEDULE
FTC File No. 2123090**

Meet and Confer: You must contact **FTC counsel, Thomas M. Biesty ((202) 326-3043; tbiesty@ftc.gov)**, as soon as possible to schedule a telephonic meeting to be held within fourteen (14) days after You receive this CID. At the meeting, You must discuss with FTC counsel any questions You have regarding this CID or any possible CID modifications that could reduce Your cost, burden, or response time yet still provide the FTC with the information it needs to pursue its investigation. The meeting also will address how to assert any claims of protected status (e.g., privilege, work-product, etc.) and the production of electronically stored information. You must make available at the meeting personnel knowledgeable about Your information or records management systems, Your systems for electronically stored information, custodians likely to have information responsive to this CID, and any other issues relevant to compliance with this CID.

Document Retention: You must retain all documentary materials used in preparing responses to this CID. The FTC may require the submission of additional Documents later during this investigation. **Accordingly, You must suspend any routine procedures for Document destruction and take other measures to prevent the destruction of Documents in Your possession, custody, or control** that are in any way relevant to this investigation, even if those Documents are being retained by a third-party or You believe those Documents are protected from discovery. *See* 15 U.S.C. § 50; *see also* 18 U.S.C. §§ 1505, 1519.

Sharing of Information: The FTC will use information You provide in response to the CID for the purpose of investigating violations of the laws the FTC enforces. We will not disclose such information under the Freedom of Information Act, 5 U.S.C. § 552. We also will not disclose such information, except as allowed under the FTC Act (15 U.S.C. § 57b-2), the Commission’s Rules of Practice (16 C.F.R. §§ 4.10 & 4.11), or if required by a legal obligation. Under the FTC Act, we may provide Your information in response to a request from Congress or a proper request from another law enforcement agency. However, we will not publicly disclose such information without giving You prior notice.

Manner of Production: Contact **Reeve Tyndall ((202) 326-2452; rtyndall@ftc.gov)** by email or telephone at least five days before the return date for instructions on how to produce information responsive to this CID.

Certification of Compliance: You or any person with knowledge of the facts and circumstances relating to the responses to this CID must certify that such responses are complete by signing the “Certification of Compliance” attached to this CID.

Definitions and Instructions: Please review carefully the Definitions and Instructions that appear after the Specifications and provide important information regarding compliance with this CID.

I. SUBJECT OF INVESTIGATION

Whether the Company as defined herein, or persons or entities associated with the Company, are engaged in deceptive or unfair acts or practices in connection with the marketing of goods or services on the Internet or in connection with the advertising, marketing, or sale of business opportunities, in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended; the Business Opportunity Rule, 16 C.F.R. Part 437; or any other statute or rule enforced by the Commission; and whether Commission action to obtain injunctive or monetary relief would be in the public interest. See also attached resolutions.

II. SPECIFICATIONS

Applicable Time Period: Unless otherwise directed, the applicable time period for the requests set forth below is from **November 1, 2019, until the date of full and complete compliance with this CID.**

A. INTERROGATORIES

Your Training, Experience, and Licensure

1. Regardless of the Applicable Time Period, describe with specificity Your training in financial markets and financial-instrument trading, and Identify each person or entity from which You received training, when You received the training, and what the general subject matter of the training was.
2. Regardless of the Applicable Time Period, describe with specificity Your experience trading in financial markets and financial instruments, including the financial markets or instruments You traded, the year(s) in which You traded in such financial markets or instruments, and the Identity of all broker(s) or brokerage firm(s) through which You executed trades.
3. State whether You currently engage in financial-instrument trading. If so, provide each financial instrument or market You trade in, and Identify any broker or brokerage firm through which You execute such trades.
4. Regardless of the Applicable Time Period, state all licenses and credentials You hold or have held relating to financial-instrument trading (e.g. successful completion of the General Securities Representative Exam “Series 7”). State whether you have ever been registered with any regulatory organizations such as the Commodity Futures Trading Commission (CFTC) or Securities and Exchange Commission (SEC) and the years of registration.
5. Regardless of the Applicable Time Period and excluding Your involvement with the Company, list every direct-selling or multi-level marketing business in which You have participated, describe with specificity Your work at the business, and provide Your annual profit from such work.

6. List all lawsuits and legal proceedings, including arbitration, filed by or against You, or inquiries from government agencies or law enforcement offices (foreign or domestic) involving You from January 1, 2013, until the date of full and complete compliance with this CID. Include the names of all parties, the jurisdiction in which the matter is or was pending, the case number, the date filed, the Identity of counsel for all parties, and the current status or disposition of the matter.
7. Regardless of the Applicable Time Period, identify all persons, entities, operations, or enterprises with which You have been affiliated, in any capacity, that have been investigated by the Securities and Exchange Commission (SEC), Commodities and Futures Trading Commission (CFTC), Federal Trade Commission (FTC), Financial Industry Regulatory Authority (FINRA), Consumer Financial Protection Bureau (CFPB) or another law enforcement agency, and describe the nature of Your affiliation with each.
8. Regardless of the Applicable Time Period, for all persons, entities, operations, or enterprises identified in response to Interrogatory Number 7, describe the nature, scope, and outcome of the investigation by the SEC, CFTC, FTC, FINRA, CFPB, or other law enforcement agency.

Your Involvement with the Company

9. Regardless of the Applicable Time Period, describe how You first came to be affiliated with IML (whether as a student, a contractor, employee, IBO or otherwise), including the date(s).
10. Excluding Your role as an IBO, state Your role(s) with the Company, state the month and year in which You assumed such role(s), and provide a description of the work You performed in such role(s).
11. Describe with particularity how you first came to be an educator for the Company.
12. Describe with particularity any interviews or evaluations you were subjected to by the Company prior to your employment as an educator for the Company.
13. State, broken down by each type of income the Company offers (including bonuses and perquisites), Your annual income as an IBO.
14. State the amount of time You spent to earn Your income as an IBO, both annually and generally in each pay period.
15. State Your expenses as an IBO, both annually and generally in each pay period.
16. Identify the amount of income You received from IML as compensation (whether as salary, bonus, commission, or otherwise), in each of the years 2022, 2021, 2020, and 2019.

17. Identify the amount of income You received from IML as compensation that was attributable to your position as an IBO, in each of the years 2022, 2021, 2020, and 2019.
18. Identify the amount of income You received from IML as compensation that was attributable to your position as an instructor, in each of the years 2022, 2021, 2020, and 2019.
19. As to the annual compensation amounts identified in response to Interrogatory 18, Identify the amounts of annual income attributable to salary and the amounts of annual income attributable to commissions tied to the sale of the Company's products and services.
20. Describe with particularity the nature of any commissions you received as an educator that were tied to the sale of the Company's products and services.
21. For the year 2019, the year 2020, the year 2021, and the year 2022, identify Your net income (or loss) from trading stocks, bonds, futures, options, foreign exchange, or other such assets.
22. Identify the amount of income You received from sources other than IML or trading (as described in Interrogatory 11, above), in each of the years 2022, 2021, 2020, and 2019. For each such source of income, describe the nature of the source and the reason for the income (e.g., wages from part-time job, etc.).
23. Describe your duties and responsibilities as an instructor on behalf of the Company.
24. Describe with specificity the training you provided to Retail Customers during your time as an instructor on behalf of the Company, including the topics and method(s) of training.
25. Identify the number of GoLive session You presented at in each of the years 2022, 2021, 2020, and 2019.
26. Identify all GoLive sessions (by date) at which You executed live trades in the markets, in whole or in part, as part of the presentation to consumers.
27. Identify all GoLive sessions (by date) at which You executed or displayed simulated trades in the markets, in whole or in part, as part of the presentation to consumers.
28. Identify all GoLive sessions (by date) that You identified in response to Interrogatory 23 at which You disclosed to consumers, as part of the presentation, that the simulated trades were simulated.
29. Identify Your household's net worth as of each of the following: January 1, 2019, January 1, 2020, January 1, 2021, and January 1, 2022.

30. Describe any relationship or arrangement You have or previously had with the following entities, including the dates of these relationships or arrangements and any compensation you received from these entities as a result:
 - a. IQcent;
 - b. Raceoption;
 - c. Videforex;
 - d. Binarycent;
 - e. Hugo's Way; and
 - f. Fin Ministry.
31. State whether the Company was aware of any of the relationships or arrangements identified in response to Interrogatory No. 30, while you were an instructor on behalf of the Company.
32. Identify any other Company educators that you understood to have had a relationship or agreement with the entities identified in Interrogatory No. 30.
33. Describe with specificity any training You received from the Company or its IBOs, including the topics and method of training.
34. Regardless of the Applicable Time Period, describe all training provided to You by IML relating to presenting GoLive sessions.
35. Describe with particularity the Company's policies and procedures as to responding to inquiries or statements made by Retail Customers utilizing the chat function during GoLive sessions.
36. Describe with particularity Your individual policies and procedures as to responding to inquiries or statements made by Retail Customers utilizing the chat function during GoLive sessions.
37. Describe with particularity the Company's policies and procedures applicable to its educators' use of the Company's "PipTalk" feature.
38. Describe with particularity any efforts made by the Company to track or evaluate its Retail Customers' performance in trading in financial markets or instruments.
39. Identify all complaints You received from Retail Customers concerning their dissatisfaction with the quality of the IM Academy Education Programs or their performance trading in the financial markets or instruments.
40. Describe with particularity the Company's policies and procedures regarding the substantiation the Company's educators had to possess in order to make any

representations regarding income, financial gains, profit, or return on investment while providing IM Academy Education Programs or presenting GoLive sessions..

41. Describe with specificity any training You provided to IBOs, including the topics and method of training.
42. List and describe in detail all representations you made regarding income, financial gains, profit, or return on investment while providing IM Academy Education Programs or presenting GoLive sessions.
43. List and describe in detail all substantiation You possess for any representations you made regarding income, financial gains, profit, or return on investment while providing IM Academy Education Programs or presenting GoLive sessions.
44. Regardless of the Applicable Time Period, describe all audits and compliance reviews IML conducted of your work providing IM Academy Education Programs or presenting GoLive sessions, including the reason and subject of the audit or review, the individual(s) conducting it, its purpose and conclusions, and any remedial action taken by IML as a result of it.
45. State whether the Company ever reviewed Documents You used to advertise, market, or promote the Company, its products, or its business opportunity. If yes, for each Document the Company reviewed:
 - a. Describe the Document;
 - b. Describe the nature of and reason for the Company's review;
 - c. State whether You submitted the Document to the Company of Your own accord or in response to a Company request for it;
 - d. State whether the Company approved or rejected any portion of the Document; and
 - e. State the reason the Company approved or rejected any portion of the Document.
46. State whether the Company has ever requested any changes to Documents You use or used to advertise, market, or promote the Company, its products, or its business opportunity. If yes, describe:
 - a. The Document;
 - b. The month and year of the request;
 - c. The change requested;

- d. The reason for the request; and
 - e. The action You took in response, if any.
47. List all complaints You have received about any Documents You use or used to advertise, market, or promote the Company, its products, or its business opportunity. For each complaint, provide:
- a. The source of the complaint;
 - b. The date of the complaint;
 - c. The reason for the complaint;
 - d. Your response to the complaint; and
 - e. Any changes You made because of the complaint.
48. State whether You were ever formally or informally reprimanded by the Company. If so, describe with particularity the circumstances of the reprimand, including when and why it occurred, any disciplinary action taken by the Company against you, and what action, if any, You took as a result.
49. State whether You have ever been notified by the Company that You violated its guidelines and policies concerning the use of social media, and describe with particularity any disciplinary action taken by the Company against you.
50. State whether you are aware of the Company's policies regarding posting of ads regarding the Company on social media, and describe those policies.
51. Identify every IBO who has complained to You, formally or informally, about the Company, You, or Your Downline. Provide the date of the complaint and describe with particularity the subject of it.
52. Regardless of the Applicable Time Period, state every means You used to communicate about the Company or with Company employees, IBOs, or Retail Customers (e.g., email, text, computer, social media applications, or mobile applications).
53. Regardless of the Applicable Time Period, for each means of communication provided in Your response to Interrogatory No. 52, provide every address, number, handle, or other identifier You use or have used to communicate about the Company or with Company employees, IBOs, or Retail Customers.
54. Regardless of the Applicable Time Period, describe any instances of You or the Company deleting or destroying any recordings or transcripts of IM Academy Education Programs or GoLive sessions, and explain why such recordings or transcripts were deleted or destroyed.

Your Response to This CID

55. If, for any Document Request in this CID, Documents that would have been responsive were destroyed, mislaid, transferred, deleted, altered, or overwritten: (a) describe in detail the Document; (b) state the date such Document was destroyed, mislaid, transferred, deleted, altered, or overwritten; (c) describe the circumstance under which such Document was destroyed, mislaid, transferred, deleted, altered, or overwritten; and (d) Identify the person authorizing such action.
56. Confirm Your compliance and the date as of which You complied with the document retention requirements set forth in this CID.

A. DOCUMENT REQUESTS

Produce:

1. Documents sufficient to show Your annual income as an IBO (separated by each category of income available under the Company's compensation plan) and annual expenses (including time spent operating Your IBO).
2. Documents sufficient to show Your annual income as an educator (separated by income derived from salary and income derived from commissions).
3. All Documents You use or have used to advertise, market, or promote the Company, its products, or its business opportunity.
4. A copy of all websites or social media posts You used to advertise, market, or promote the Company, its products, or its business opportunity.
5. All Documents relating to any review the Company has conducted of websites or Documents you have used to advertise, market, or promote the Company, its products, or its business opportunity, including any requests that you make changes to any website or document.
6. All Documents relating to any interaction You have had with the Company regarding the use of Company property and data, including, but not limited to, the Company name, the Company image, sales materials and Documents the Company produces, and Company data (including the Company's income disclosure statement).
7. Documents sufficient to show any effort by the Company to enforce its policies and procedures regarding Your use of Company property and data, including any review, approval, or rejection by the Company of any use of Company property or data.

8. All Documents relating to any complaints You have received concerning any website or Documents You used to advertise, market, or promote Company products or its business opportunity.
9. All Documents relating to any complaint You have received, formally or informally, about the Company, You, or Your Downline, including requests for refunds.
10. All Documents relating to the training You provided to IBOs, including training relating to qualifying for higher rank levels or new forms of income, making representations about the Company business opportunity, and making income claims or testimonials.
11. All Documents relating to Your efforts to monitor IBO compliance with or enforce any rules regarding qualifying for higher rank levels or new forms of income, making representations about the Company business opportunity, and making income claims or testimonials.
12. All Documents relating to any IBO's violations of any rules regarding qualifying for higher rank levels or new forms of income, making representations about the Company business opportunity, and making income claims or testimonials.
13. Regardless of the Applicable Time Period, all contracts, written agreements, and terms of service between You and the Company.
14. All Communications You had with the Company regarding the advertising, marketing, or promotion of the Company, its products, its business opportunity, its compensation plan, recruiting of IBOs, how to earn money as an IBO, sales of Company products, or complaints by other IBOs.
15. Statements or other documents sufficient to reflect all trading by You in stocks, bonds, futures, options, foreign exchange, cryptocurrencies, or other assets.
16. Statements or other documents sufficient to reflect all simulated trading by You in stocks, bonds, futures, options, foreign exchange, cryptocurrencies, or other assets.
17. A copy of any Civil Investigative Demand ("CID"), subpoena or other written request you have received from the CFPB, SEC or CFTC.
18. All Documents you have produced to the CFPB, SEC or CFTC in response to any CID, subpoena, or other written request.
19. A copy of any testimony you have provided in any legal dispute (e.g. lawsuit, arbitration proceeding, etc.) between You and the Company.
20. All Documents related to the subject of Interrogatory No. 3, regardless of the Applicable Time Period.

21. All Documents related to the subject of Interrogatory No. 24, regardless of the Applicable Time Period.
22. All Documents related to the subject of Interrogatory No. 41, regardless of the Applicable Time Period.
23. All Communications regarding the following:
 - a. The Federal Trade Commission’s Operation Income Illusion or its law enforcement actions against RagingBull.com or Online Trading Academy;
 - b. The December 5, 2019 Complaint by truthinadvertising.org to the Direct Selling Self-Regulatory Council;
 - c. The September 20, 2020 Fortune magazine article entitled *Inside the weird new world of social ‘forex’ trading—where you sign up friends, and some report risky red flags for investors*;
 - d. The August 2021 British Broadcasting Corporation (BBC) program *Instatraders*; and
 - e. The Federal Trade Commission’s October 2021 Notices of Penalty Offenses Concerning Moneymaking Opportunities and Endorsements and Testimonials.

III. DEFINITIONS

The following definitions apply to this CID:

D-1. “**Communication**” means any manner of transmitting, receiving or storing information of any kind, including through text message, app, email, social media, online bulletin boards and Internet chat rooms, to or from a person, whether oral, electronic, in the form of a Document, or otherwise.

D-2. “**Document**” means the complete original, all drafts, and any non-identical copy, whether different from the original because of notations on the copy, different metadata, or otherwise, of any item covered by 15 U.S.C. § 57b-1(a)(5), 16 C.F.R. § 2.7(a)(2), or Federal Rule of Civil Procedure 34(a)(1)(A).

D-3. “**Downline**” means all IBOs recruited into the Company by You or Your recruits, or anyone whose chain of recruiters leads to You. The term includes any IBO or Retail Customer whose purchases or sales factor into any income You earn from the Company. The term also includes any definition the Company uses of “downline.”

D-4. “**Go Live**” means a live investment training session presented by IML instructors that purportedly features live trading.

D-5. “**Identify**” or “**the Identity of**” requires identification of (a) natural persons by name, title, present business affiliation, present business address, telephone number, and email address or, if a present business affiliation or present business address is not known, the last known business and home addresses; and (b) businesses or other organizations by name, address, and the identities of Your contact persons at the business or organization.

D-6. “**IM Academy Education Programs**” means any good or service concerning trading, investing, or e-commerce offered by the Company including academies, events, presentations, courses, seminars, workshops, trainings, one-on-one sessions, or mobile device applications.

D-7. “**IML**” or “**Company**” means International Markets Live, Inc., its wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed names, and affiliates, including IM Mastery Academy, and all directors, officers, members, employees, agents, consultants, and other persons working for or on behalf of the foregoing.

D-8. “**Independent Business Owner**” or “**IBO**” means any individual or entity that purchases the right to sell education programs offered by IML to consumers.

D-9. “**Retail Customer**” means an individual that purchases IM Academy Education Programs.

D-10. “**You**” or “**Your**” means the person to whom this CID is directed.

IV. INSTRUCTIONS

I-1. **Petitions to Limit or Quash:** You must file any petition to limit or quash this CID with the Secretary of the FTC no later than twenty (20) days after service of the CID, or, if the return date is less than twenty (20) days after service, prior to the return date. Such petition must set forth all assertions of protected status or other factual and legal objections to the CID and comply with the requirements set forth in 16 C.F.R. § 2.10(a)(1) – (2). **The FTC will not consider petitions to quash or limit if You have not previously met and conferred with FTC staff and, absent extraordinary circumstances, will consider only issues raised during the meet and confer process.** 16 C.F.R. § 2.7(k); *see also* § 2.11(b). **If You file a petition to limit or quash, You must still timely respond to all requests that You do not seek to modify or set aside in Your petition.** 15 U.S.C. § 57b-1(f); 16 C.F.R. § 2.10(b).

I-2. **Withholding Requested Material / Privilege Claims:** For specifications requesting production of Documents or answers to written interrogatories, if You withhold from production any material responsive to this CID based on a claim of privilege, work product protection, statutory exemption, or any similar claim, You must assert the claim no later than the return date of this CID, and You must submit a detailed log, in a searchable electronic format, of the items withheld that identifies the basis for withholding the material and meets all the requirements set forth in 16 C.F.R. § 2.11(a) – (c). The information in the log must be of sufficient detail to enable FTC staff to assess the validity of the claim for each Document, including attachments, without disclosing the protected information. If only some portion of any responsive material is privileged, You must submit all non-privileged portions of the material. Otherwise, produce all responsive information and material without redaction. 16 C.F.R. § 2.11(c). The failure to

provide information sufficient to support a claim of protected status may result in denial of the claim. 16 C.F.R. § 2.11(a)(1).

I-3. **Modification of Specifications:** The Bureau Director, a Deputy Bureau Director, Associate Director, Regional Director, or Assistant Regional Director must agree in writing to any modifications of this CID. 16 C.F.R. § 2.7(l).

I-4. **Scope of Search:** This CID covers Documents and information in Your possession or under Your actual or constructive custody or control, including Documents and information in the possession, custody, or control of Your attorneys, accountants, directors, officers, employees, service providers, and other agents and consultants, whether or not such Documents or information were received from or disseminated to any person or entity.

I-5. **Identification of Responsive Documents:** For specifications requesting production of Documents, You must identify in writing the Documents that are responsive to the specification. Documents that may be responsive to more than one specification of this CID need not be produced more than once. If any Documents responsive to this CID have been previously supplied to the FTC, You may identify the Documents previously provided and the date of submission.

I-6. **Maintain Document Order:** For specifications requesting production of Documents, You must produce Documents in the order in which they appear in Your files or as electronically stored. If Documents are removed from their original folders, binders, covers, containers, or electronic source, You must specify the folder, binder, cover, container, or electronic media or file paths from which such Documents came.

I-7. **Numbering of Documents:** For specifications requesting production of Documents, You must number all Documents in Your submission with a unique identifier such as a Bates number or a Document ID.

I-8. **Production of Copies:** For specifications requesting production of Documents, unless otherwise stated, You may submit copies in lieu of original Documents if they are true, correct, and complete copies of the originals and You preserve and retain the originals in their same state as of the time You received this CID. Submission of copies constitutes a waiver of any claim as to the authenticity of the copies should the FTC introduce such copies as evidence in any legal proceeding.

I-9. **Production in Color:** For specifications requesting production of Documents, You must produce copies of Advertisements in color, and You must produce copies of other materials in color if necessary to interpret them or render them intelligible.

I-10. **Electronically Stored Information:** For specifications requesting production of Documents, see the attached FTC Bureau of Consumer Protection Production Requirements (“Production Requirements”), which detail all requirements for the production of electronically stored information to the FTC. You must discuss issues relating to the production of electronically stored information with FTC staff **prior to** production.

I-11. Sensitive Personally Identifiable Information (“Sensitive PII”) or Sensitive Health Information (“SHI”): Do not produce any sensitive personally identifiable information (“Sensitive PII”) or sensitive health information (“SHI”) prior to discussing the information with FTC counsel. If any document responsive to a particular specification contains unresponsive Sensitive PII or SHI, redact the unresponsive Sensitive PII or SHI prior to producing the document.

Sensitive PII includes an individual’s Social Security number; an individual’s biometric data; and an individual’s name, address, or phone number in combination with one or more of the following: date of birth, driver’s license or state identification number (or foreign country equivalent), military identification number, passport number, financial account number, credit card number, or debit card number. Biometric data includes biometric identifiers, such as fingerprints or retina scans, but does not include photographs (with the exception of photographs and corresponding analyses used or maintained in connection with facial recognition software) or voice recordings and signatures (with the exception of those stored in a database and used to verify a person’s identity). SHI includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

I-12. Interrogatory Responses: For specifications requesting answers to written interrogatories: (a) answer each interrogatory and each interrogatory subpart separately, fully, and in writing; and (b) verify that Your answers are true and correct by signing Your answers under the following statement: “I verify under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).” The verification must be submitted contemporaneously with Your interrogatory responses.

CERTIFICATION OF COMPLIANCE
Pursuant to 28 U.S.C. § 1746

I, _____, certify the following with respect to the Federal Trade Commission's ("FTC") Civil Investigative Demand directed to me (FTC File No. 2123090) (the "CID"):

1. I have identified all documents, information, and/or tangible things ("responsive information") in my possession, custody, or control responsive to the CID and either:
 - (a) provided such responsive information to the FTC; or
 - (b) for any responsive information not provided, given the FTC written objections setting forth the basis for withholding the responsive information.
2. I verify that the responses to the CID are complete and true and correct to my knowledge.

I certify under penalty of perjury that the foregoing is true and correct.

Date: _____

Signature

Printed Name

Title

Federal Trade Commission - Bureau of Consumer Protection

Production Requirements

Revised July 2020

In producing information to the FTC, comply with the following requirements, unless the FTC agrees otherwise. If you have questions about these requirements, please contact FTC counsel before production.

Production Format

1. **General Format:** Provide load-ready electronic productions with:

- a. A delimited data load file (.DAT) containing a line for every document, unique id number for every document (DocID), metadata fields, and native file links where applicable; and
- b. A document level text file, named for the DocID, containing the text of each produced document.

Do not produce corresponding image renderings (e.g., TIFF or JPEG) for files in native format unless the FTC requests them. If the FTC requests corresponding image renderings, provide an Opticon image load file (.OPT) containing a line for every image file.

2. **Electronically Stored Information (ESI):** Documents stored in electronic format in the ordinary course of business must be produced in the following format:

- a. For ESI other than the categories below, submit in native format with all metadata and either document level extracted text or Optical Character Recognition (OCR). Do not produce corresponding image renderings (e.g., TIFF or JPEG) for files in native format unless the FTC requests them. If the FTC requests corresponding image renderings, they should be converted to Group IV, 300 DPI, single-page TIFF (or color JPEG images when necessary to interpret the contents or render them intelligible.)
- b. For Microsoft Excel, Access, or PowerPoint files, submit in native format with extracted text and metadata. Data compilations in Excel spreadsheets or delimited text formats must contain all underlying data, formulas, and algorithms without redaction.
- c. For other spreadsheet, database, presentation, or multimedia formats; instant messages; or proprietary applications, discuss the production format with FTC counsel.

3. **Hard Copy Documents:** Documents stored in hard copy in the ordinary course of business must be scanned and submitted as either one multi-page pdf per document or as 300 DPI single page TIFFs (or color JPEGs when necessary to interpret the contents or render them intelligible), with corresponding document-level OCR text and logical document determination in an accompanying load file.

4. **Document Identification:** Provide a unique DocID for each hard copy or electronic document, consisting of a prefix and a consistent number of numerals using leading zeros. Do not use a space to separate the prefix from numbers.

5. **Attachments:** Preserve the parent/child relationship by producing attachments as separate documents, numbering them consecutively to the parent email, and including a reference to all attachments.
6. **Metadata Production:** For each document submitted electronically, include the standard metadata fields listed below in a standard delimited data load file. The first line of the data load file shall include the field names. Submit date and time data in separate fields. Use these standard Concordance delimiters in delimited data load files:

| Description | Symbol | ASCII Character |
|------------------------|--------|-----------------|
| Field Separator | ¶ | 20 |
| Quote Character | ” | 254 |
| Multi Entry delimiter | ® | 174 |
| <Return> Value in data | ~ | 126 |

7. **De-duplication:** Do not use de-duplication or email threading software without FTC approval.
8. **Password-Protected Files:** Remove passwords prior to production. If password removal is not possible, provide the original and production filenames and the passwords, under separate cover.

Producing Data to the FTC

1. Prior to production, scan all data and media for viruses and confirm they are virus-free.
2. For productions smaller than 50 GB, submit data electronically using the FTC’s secure file transfer protocol. Contact FTC counsel for instructions. **The FTC cannot accept files via Dropbox, Google Drive, OneDrive, or other third-party file transfer sites.**
3. If you submit data using physical media:
 - a. Use only CDs, DVDs, flash drives, or hard drives. Format the media for use with Windows 7;
 - b. Use data encryption to protect any Sensitive Personally Identifiable Information or Sensitive Health Information (as defined in the instructions), and provide passwords in advance of delivery, under separate cover; and
 - c. Use a courier service (e.g., Federal Express, UPS) because heightened security measures delay postal delivery.
4. Provide a transmittal letter with each production that includes:
 - a. Production volume name (e.g., Volume 1) and date of production;
 - b. Numeric DocID range of all documents in the production, and any gaps in the DocID range; and
 - c. List of custodians and the DocID range for each custodian.

Standard Metadata Fields

| DAT FILE FIELDS | DEFINITIONS | POPULATE FIELD FOR: |
|------------------------|--|--|
| DocID | Unique ID number for each document | All Documents |
| FamilyID | Unique ID for all documents in a family including parent and all child documents | All Documents |
| ParentID | Document ID of the parent document. This field will only be populated on child items | All Documents |
| File Path | Path to produced native file | All Documents |
| TextPath | Path to document level text or OCR file | All Documents |
| Custodian | Name of the record owner/holder | All Documents |
| AllCustodians | Names of all custodians that had copy of this record (populate if data was deduplicated or email threading was used) | All Documents |
| Source | Source of documents: CID, Subpoena, Third Party Data, etc. | All Documents |
| Filename | Original file name | All Documents |
| File Size | Size of documents | All Documents |
| File Extensions | Extension of file type | All Documents |
| MD5 Hash | Unique identifier for electronic data used in de-duplication | All Documents |
| PRODUCTION_VOLUME | Production Volume | All Documents |
| HASREDACTIONS | Redacted document | All Documents |
| Exception Reason | Reason for exception encountered during processing (e.g., empty file, source file, password-protected file, virus) | All Documents |
| PRODBEG | Beginning production bates number | Documents with Produced Images |
| PRODEND | Ending production bates number | Documents with Produced Images |
| PRODBEG_ATTACH | Beginning production family bates number | Documents with Produced Images |
| PRODEND_ATTACH | Ending production family bates number | Documents with Produced Images |
| Page Count | The number of pages the document contains | Documents with Produced Images |
| From | Names retrieved from the FROM field in a message | Emails |
| To | Names retrieved from the TO field in a message; the recipient(s) | Emails |
| CC | Names retrieved from the CC field in a message; the copied recipient(s) | Emails |
| BCC | Names retrieved from the BCC field in a message; the blind copied recipient(s) | Emails |
| EmailSubject | Email subject line | Emails |
| Date Sent | The date an email message was sent | Emails |
| Time Sent | The time an email message was sent | Emails |
| Date Received | The date an email message was received | Emails |
| Time Received | The time an email message was received | Emails |
| Author | File Author | Loose Native Files and Email Attachments |
| Title | File Title | Loose Native Files and Email Attachments |
| Subject | File Subject | Loose Native Files and Email Attachments |
| Date Created | Date a document was created by the file system | Loose Native Files and Email Attachments |
| Time Created | Time a document was created by the file system | Loose Native Files and Email Attachments |
| Date Modified | Last date a document was modified and recorded by the file system | Loose Native Files and Email Attachments |
| Time Modified | Last time a document was modified and recorded by the file system | Loose Native Files and Email Attachments |
| Date Printed | Last date a document was printed and recorded by the file system | Loose Native Files and Email Attachments |
| Time Printed | Last time a document was printed and recorded by the file system | Loose Native Files and Email Attachments |

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: Joseph J. Simons, Chairman
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

**RESOLUTION DIRECTING USE OF COMPULSORY PROCESS IN A NONPUBLIC
INVESTIGATION INTO THE ACTS AND PRACTICES OF UNNAMED PERSONS,
PARTNERSHIPS AND CORPORATIONS ENGAGED IN THE SALE OF BUSINESS
OPPORTUNITIES**

File No. 1223111

Nature and Scope of Investigation:

To determine whether unnamed persons, partnerships, corporations, or others have engaged or are engaging in deceptive or unfair acts or practices in or affecting commerce in the advertising, marketing, or sale of business opportunities in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended or the Business Opportunity Rule, 16 C.F.R. Part 437. The investigation is also to determine whether Commission action to obtain monetary relief would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation for a period not to exceed five (5) years from the date of issuance of this resolution. The expiration of this five-year period shall not limit or terminate the investigation or the legal effect of any compulsory process issued during the five-year period. The Federal Trade Commission specifically authorizes the filing or continuation of actions to enforce any such compulsory process after the expiration of the five-year period.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, and 57b-1, as amended; and FTC Procedures and Rules of Practice, 16 C.F.R. § 1.1 *et seq.*, and supplements thereto.

By direction of the Commission.



April J. Tabor
Acting Secretary

Issued: March 14, 2019

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Lina M. Khan, Chair**
 Noah Joshua Phillips
 Rohit Chopra
 Rebecca Kelly Slaughter
 Christine S. Wilson

**RESOLUTION DIRECTING USE OF COMPULSORY PROCESS
REGARDING DECEPTIVE AND MANIPULATIVE CONDUCT ON THE INTERNET**

File No. 212 3125

Nature and Scope of Investigation:


To determine whether any persons, partnerships or corporations, or others have been or are engaged in unfair, deceptive, anticompetitive, collusive, coercive, predatory, exploitative, or exclusionary acts or practices, in or affecting commerce, relating to the marketing of goods and services on the Internet, the manipulation of user interfaces (including, but not limited to, dark patterns), or the use of e-mail, metatags, computer code or programs, in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended, or any statutes or rules enforced by the Commission; and to determine the appropriate remedy, including whether injunctive or monetary relief would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation for a period not to exceed ten years from the date of issuance of this resolution. The expiration of this ten-year period shall not limit or terminate the investigation or the legal effect of any compulsory process issued during the ten-year period. The Federal Trade Commission specifically authorizes the filing or continuation of actions to enforce any such compulsory process after the expiration of the ten-year period.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, and 57b-1, as amended; FTC Procedures and Rules of Practice, 16 C.F.R. Part 1.1 et seq. and supplements thereto.

By direction of the Commission.


April J. Tabor
Secretary

Issued: September 2, 2021
Expires: September 2, 2031

