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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Timothy J. Muris, Chairman
Sheila F. Anthony
Mozelle W. Thompson
Orson Swindle

The Commission having thereafter considered the matter and having determined that it had reason to believe that respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent The Ted Warren Corporation (“TWC”) is an Oregon corporation with its principal office or place of business at 128 S.W. “I” Street, Grants Pass, OR 97526.

2. Respondent The Ken Roberts Institute, Inc., (“KRI”) is an Oregon corporation with its principal office or place of business at 333 S.W. 5th Street, Grants Pass, OR 97526.

3. Respondent The Ken Roberts Company (“KRC”) is an Oregon corporation with its principal office or place of business at 333 S.W. 5th Street, Grants Pass, OR 97526.

4. Respondent Ken Roberts is an officer of TWC, KRI, and KRC. As an officer, Ken Roberts, individually or in concert with others, formulates, directs, or controls, the policies, acts, or practices of TWC, KRI, and KRC. His principal places of business are the same as those of TWC, KRI, and KRC.

5. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

- b. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.
- c. On a product label, the disclosure shall be in a type size and location on the principal display panel sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or on any label.

- 2. In the case of advertisements disseminated by means of an interactive electronic medium such as the Internet or other online services, "in close proximity" shall mean on the same Web page and proximate to the triggering representation, and not on other portions of the Web site, accessed or displayed through hyperlinks or other means.
- 3. "Commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
- 4. "Investment Course" shall mean any program, service, course, instruction, system, training, manual, computer software, or other materials involving the purchase or sale of stocks, currencies, commodity futures, options, real estate through probate proceedings, or other financial instruments or investments.
- 5.

II.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Investment Course, in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, about the financial benefits of such Investment Course, unless they disclose, clearly and conspicuously, and in close proximity to the representation,

- B. For all Investment Courses: **“WARNING: [FUTURES TRADING, STOCK TRADING, CURRENCY TRADING, OPTIONS TRADING, ETC., as applicable] involves high risks and YOU can LOSE a lot of money.”**
- C. For all Investment Courses in which purchasers are advised or instructed to “paper trade” or otherwise practice making investments without investing actual funds: **“Being a successful PAPER TRADER during one time period does not mean that you will make money when you actually invest during a later time period. Market conditions constantly change.”**
- D. For all Investment Courses involving securities or the purchasing of options: **“When investing in [securities or the purchasing of options, as applicable] you may lose all of the money you invested.”**
- E. For all Investment Courses involving futures or the granting of options: **“When investing in (futures or the granting of options, as applicable) you may lose more than the funds you invested.”**
- F. For all Investment Courses involving futures and commodity options: **“Trading in commodity futures or options involves substantial risk of loss. According to many experts, most individual investors who trade commodity futures or options lose money.”**
- G. For all Investment Courses in which claims are made regarding past performance: **“Past Results are not necessarily indicative of Future Results.”**

Provided, the disclosures required by this Part are in addition to, and not in lieu of, any other disclosure that respondents may be required to make, including but not limited to any disclosures required by state or federal law or by a self-regulatory organization. The requirements of this Part are not intended to, and shall not be interpreted to, exempt respondents from making any other disclosures.

III.

IT IS FURTHER ORDERED that respondents shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation; and
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in their

employment, or of his affiliation with any new business or employment. The notice shall include his new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities.

VII.

IT IS FURTHER ORDERED that respondents TWC, KRI, and KRC shall, within sixty (60) days after

IX.

All notices required to be sent to the Commission pursuant to this Order shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. Attn.: In the Matter of The Ted Warren Corporation, Inc.

By the Commission.

Donald S. Clark
Secretary

ISSUED: April 29, 2003

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