



FTC Sues Online Trading Academy for Running an Investment Training Scheme

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Defendants target older Americans with false or unfounded earnings claims

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UPDATE: The FTC has obtained a preliminary injunction in this case. For more information, please read the [most recent press release](#).

The Federal Trade Commission has sued the California-based investment training scheme [Online Trading Academy](#) (OTA), led by Eyal Shachar. The FTC alleges that OTA uses false or unfounded earnings claims to sell “training programs” costing as much as \$50,000. OTA has collected more than \$370 million from consumers nationwide within the last six years.

According to the FTC, OTA misrepresents that it has a patented “strategy” that anyone can use to generate substantial income from trading in the financial markets. OTA claims that its strategy is designed to generate income in any market, “whether it’s going up, down or sideways.” The company’s claims are often targeted at older consumers. Additionally, OTA “instructors”—salespeople on commission who market OTA’s training and strategy to consumers in live events across the country—often hold themselves out as successful traders who have amassed substantial wealth using OTA’s strategy.

However, OTA does not track the trading results of its customers, and the FTC alleges that OTA’s own surveys indicate that its customers are not making the type of income OTA advertises. Trading data from a platform used by OTA customers also suggest that the vast majority of OTA’s customers do not make any money, and many lose money on top of the money they pay OTA. Evidence obtained by the FTC also indicates that instructors’ claims of amassing wealth by using OTA’s strategy are false or unsubstantiated.

“It is illegal to make earnings claims in marketing investment opportunities or training, unless the seller has a reasonable basis to make such claims,” said Andrew Smith, the Director of the FTC’s Bureau of Consumer Protection. “OTA has used unfounded earnings claims to bilk Americans out of their savings.”

The FTC also alleges that OTA has required customers who request a refund to sign contracts barring them from posting negative comments about OTA or its personnel, and specifically from reporting wrongdoing to law enforcement agencies.

The defendants in the case include OTA Franchise Corp, Newport Exchange Holdings, NEH Services, Inc., Eyal Shachar (also known as Eyal Shahr), Samuel Seiden, and Darren Kimoto. They are charged with violating the FTC Act and the Consumer Review Fairness Act.

The Commission vote authorizing the staff to file the complaint was 5-0. The complaint was filed in the U.S. District Court for the Central District of California.

NOTE: The Commission files a complaint when it has “reason to believe” that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works to promote competition, and [protect and educate consumers](#). You can [learn more about consumer topics](#) and file a [consumer complaint online](#) or by calling 1-877-FTC-HELP (382-4357). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#), and [subscribe to press releases](#) for the latest FTC news and resources.

PRESS RELEASE REFERENCE:

[FTC Obtains Temporary Restraining Order Against Alleged Investor Training Scheme Online Trading Academy](#)

[FTC Obtains Preliminary Injunction Against Investor Training Scheme Online Trading Academy](#)

[FTC Settlement Requires Online Trading Academy to Forgive Consumer Debt, and Principals to Turn Over Millions in Cash and Assets](#)

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