

1 Thomas M. Biesty, NY Bar No. 4172896  
2 (seeking admission *pro hac vice*)  
3 (202) 326-3043 / tbiesty@ftc.gov  
4 Rhonda Perkins, VA Bar No. 75300  
5 (seeking admission *pro hac vice*)  
6 (202) 326-3222 / rperkins@ftc.gov  
7 Andrew Hudson, DC Bar No. 469817  
8 (seeking admission *pro hac vice*)  
9 (202) 326-2213 / ahudson@ftc.gov  
10 600 Pennsylvania Ave., NW, CC-8528  
11 Washington, DC 20580

12 Local Counsel  
13 John Jacobs, CA Bar No. 134154  
14 (310) 824-4300 / jjacobs@ftc.gov  
15 Federal Trade Commission  
16 10990 Wilshire Blvd., Suite 400  
17 Los Angeles, CA 90024  
18 (310) 824-4380 (fax)

19 Attorneys for Plaintiff  
20 Federal Trade Commission

21 **UNITED STATES DISTRICT COURT**  
22 **CENTRAL DISTRICT OF CALIFORNIA**

23 **Federal Trade Commission,**  
24  
25 Plaintiff,  
26  
27 vs.  
28  
29 **OTA Franchise Corporation, a**  
30 Nevada Corporation,  
31  
32 **Newport Exchange Holdings, Inc., a**  
33 California corporation,  
34  
35 **NEH Services, Inc., a California**  
36 corporation,

No. 8:20-cv-287  
**COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF**

1 **Eyal Shachar**, also known as Eyal  
2 Shachar, individually and as an officer of  
3 OTA Franchise Corporation, Newport  
4 Exchange Holdings, Inc., and NEH  
5 Services, Inc.

6 **Samuel R. Seiden**, individually and as  
7 an officer of OTA Franchise  
8 Corporation, and

9 **Darren Kimoto**, individually,

10 Defendants.

11  
12 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

13 1. The FTC brings this action under Sections 13(b) and 19 of the Federal  
14 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the  
15 Consumer Review Fairness Act of 2016 (“CRFA”), 15 U.S.C. § 45b, to obtain  
16 temporary, preliminary, and permanent injunctive relief, rescission or reformation  
17 of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten  
18 monies, and other equitable relief for Defendants’ acts or practices in violation of  
19 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the CRFA, 15 U.S.C. § 45b, in  
20 connection with the sale and marketing of training programs, including seminars,  
21 courses, and instructional materials on trading and investing.

22 **SUMMARY OF THE CASE**

23 2. Operating under the name “Online Trading Academy” (“OTA”  
24 (alternatively meaning the “Corporate Defendants” collectively)) and led by Eyal  
25 Shachar, Defendants purport to teach consumers how to “invest like the pros on  
26 Wall Street.” Defendants claim to show their “students” how to find “low-risk,  
27 high-potential investing opportunities” by applying a “patented strategy to any  
28 asset class including stocks, options, futures and currencies.”

1           3. Defendants target older consumers “with visibility to retirement age,  
2 near retirement or retired.” To convince consumers to pay thousands and often  
3 tens of thousands of dollars for OTA’s training and related services, Defendants  
4 routinely represent, directly or by implication, that purchasers are likely to generate  
5 substantial income with OTA’s trading strategy. Typical examples include:

- 6           • A letter from OTA’s CEO and owner, Eyal Shachar, promising that  
7 OTA “students” will “be introduced to Online Trading Academy’s  
8 patented supply and demand trading and investing strategy which  
9 allows us to anticipate market moves with a high degree of accuracy.”
- 10          • A promotional video featuring a retiree who purportedly used OTA’s  
11 trading strategy to create “a retirement income that was bigger than  
12 his income while he was working,” including “\$40,000 in a single  
13 trade.”
- 14          • A testimonial from a purported OTA customer stating, “It took me 18  
15 years to develop a decent salary. After three months here at OTA, I’m  
16 making almost as much money as my business.”
- 17          • The story of Jasmine Wang, an OTA employee, who purportedly grew  
18 a \$12,000 trading account to \$128,000 in nine months.

19           4. Defendants have routinely claimed that consumers who purchase OTA  
20 training programs can quickly attain proficiency in OTA’s strategy and deploy it to  
21 earn substantial income, regardless of their background and prior experience.

22           5. Defendants’ earnings claims are false or unsubstantiated. OTA’s  
23 strategy does not work as advertised, Defendants do not track the trading  
24 performance of their customers, and Defendants have no data that would allow  
25 them to predict the trading performance of their customers.

26           6. Many dissatisfied customers have requested refunds of the monies  
27 they paid for OTA’s training. In numerous instances, when Defendants agree to  
28 honor a refund request, they condition the refund on the consumer signing an

1 agreement barring the consumer from posting negative reviews about OTA and its  
2 services, and from providing negative information about OTA and its employees,  
3 including potential law violations, to law enforcement agencies.

4 7. Defendants have collected hundreds of millions of dollars from  
5 numerous consumers across the country. In perpetrating their scheme, they have  
6 violated the FTC Act and the Consumer Review Fairness Act.

### 7 **JURISDICTION AND VENUE**

8 8. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
9 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), and 53(b).

10 9. Venue is proper in this district under 28 U.S.C. § 1391(b)(2), (b)(3),  
11 (c)(2), and (d), and 15 U.S.C. § 53(b).

### 12 **PLAINTIFF**

13 10. The FTC is an independent agency of the United States Government  
14 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC  
15 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or  
16 affecting commerce. The FTC also enforces the CRFA, 15 U.S.C. § 45b.

17 11. The FTC is authorized to initiate federal district court proceedings, by  
18 its own attorneys, to enjoin violations of the FTC Act and the CRFA and to secure  
19 such equitable relief as may be appropriate in each case, including rescission or  
20 reformation of contracts, restitution, the refund of monies paid, and the  
21 disgorgement of ill-gotten monies. 15 U.S.C. §§ 45b(d)(2)(A), 53(b), 57b, and  
22 56(a)(2)(A).

### 23 **DEFENDANTS**

24 12. Defendant OTA Franchise Corporation (“OTA Corp.”), also doing  
25 business as Online Trading Academy, is a Nevada corporation with its principal  
26 place of business at 17780 Fitch Avenue, Irvine, California 92614. OTA Corp.  
27 transacts or has transacted business in this district and throughout the United  
28 States. At all times material to this Complaint, acting alone or in concert with

1 others, OTA Corp. has advertised, marketed, distributed, or sold training programs  
2 and related goods and services to consumers throughout the United States.

3 13. Defendant Newport Exchange Holdings, Inc. (“NE Holdings”), also  
4 doing business as Online Trading Academy, is a California corporation with its  
5 principal place of business at 17780 Fitch Avenue, Irvine, California 92614. NE  
6 Holdings transacts or has transacted business in this district and throughout the  
7 United States. At all times material to this Complaint, acting alone or in concert  
8 with others, NE Holdings has advertised, marketed, distributed, or sold training  
9 programs and related goods and services to consumers throughout the United  
10 States.

11 14. Defendant NEH Services, Inc. (“NE Services”), also doing business as  
12 Online Trading Academy, is a California corporation with its principal place of  
13 business at 17780 Fitch Avenue, Irvine, California 92614. NE Services transacts or  
14 has transacted business in this district and throughout the United States. At all  
15 times material to this Complaint, acting alone or in concert with others, NE  
16 Services has advertised, marketed, distributed, or sold training programs and  
17 related goods and services to consumers throughout the United States.

18 15. Defendant Eyal Shachar, also known as Eyal Shahar (“Shachar”), is  
19 the chief executive officer, sole director, and former president of OTA Corp. He is  
20 also the founder and president of NE Holdings, and the CEO of NE Services.  
21 Shachar resides in California, and is the owner, directly or indirectly, of all of the  
22 Corporate Defendants. At all times material to this Complaint, acting alone or in  
23 concert with others, he has formulated, directed, controlled, had the authority to  
24 control, or participated in the acts and practices set forth in this Complaint.  
25 Shachar, in connection with the matters alleged herein, transacts or has transacted  
26 business in this district and throughout the United States. Shachar is responsible  
27 for the direction of Defendants’ global expansion and he is involved in Defendants’  
28 day-to-day operations in marketing, finance, and sales.

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