

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

Case No. 1:22-cv-23760

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DK AUTOMATION LLC, a limited liability
company,

AMZ AUTOMATION LLC, a limited liability
company,

THATLIFESTYLENINJA LLC, a limited liability
company,

PROFICIENT SUPPLY LLC, a limited liability
company,

DIGITAL NINJAZ LLC, a limited liability
company,

ZONBASE, INC., a Delaware corporation,

KEVIN DAVID HULSE, a/k/a Kevin David,
individually and as an officer of DK
AUTOMATION LLC, AMZ AUTOMATION
LLC, THATLIFESTYLENINJA LLC,
DIGITAL NINJAZ LLC, and ZONBASE, INC.,
and

DAVID SHAWN ARNETT, individually and as
an officer of DK AUTOMATION LLC, AMZ
AUTOMATION LLC, and PROFICIENT
SUPPLY LLC,

Defendants.

**COMPLAINT FOR PERMANENT INJUNCTION,
MONETARY RELIEF, CIVIL PENALTIES, AND OTHER RELIEF**

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

The FTC brings this action under Sections 5(a), (m)(1)(A)-(B), 13(b), and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 45(m)(1)(A)-(B), 53(b) and 57b, which authorize the FTC to seek, and the Court to order, temporary, preliminary, and permanent injunctive relief, monetary relief, civil penalties, and other relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities” (“Business Opportunity Rule” or “Rule”), 16 C.F.R. Part 437, as amended, the Consumer Review Fairness Act of 2016 (“CRFA”), 15 U.S.C. § 45b, and prior Commission determinations concerning unfair and deceptive acts or practices in commerce. The amended Business Opportunity Rule became effective on March 1, 2012, and has since that date remained in full force and effect.

SUMMARY OF CASE

1. Since at least February 2020, Defendants Kevin David Hulse (“Hulse”) and David Arnett (“Arnett”) have lured consumers into purchasing business opportunities, promising to build purchasers a “100% Turnkey Amazon Empire” that “generates passive income on autopilot.”

2. Hulse, who appears prominently in marketing videos as Kevin David, holds himself out as an Amazon expert, an “eight-figure online business expert,” and a “mentor and coach to hundreds of thousands of entrepreneurs and students around the world.”

3. Hulse and Arnett promote themselves as experts with years of experience working with Amazon, offering to build consumers profitable online Amazon businesses under a variety of program names, including Amazon Autopilot, AMZ Autopilot, AMZDFY, Amazon Automation, Amazon Done For You, and Amazon Done With You. These programs range from \$5,000 to \$100,000, purportedly providing varying levels of service and access to products.

4. Defendants promise to help set up an Amazon store for purchasers of these Amazon programs, identify proven “home run products,” negotiate with suppliers, and order, process, and ship inventory to Amazon. They further promise to expertly manage the Amazon storefront on behalf of purchasers, while Amazon will provide customers for the store. Purchasers need only sit back and receive “passive income.”

5. Defendants advertise that the Amazon Done For You program typically generates 50% to 80% in annual returns, generally outperforms the stock market, and that purchasers can eventually sell their Amazon business for six-figures.

6. Defendants claim that their Amazon Done With You program is best for people looking to supplement or replace their 9 to 5 income. They promise to teach purchasers how to open and run a successful Amazon store, while Amazon will provide the customers.

7. Defendants’ earnings claims are false or unsubstantiated. Most purchasers are unlikely to earn the advertised income, and many, if not most, lose money.

8. In addition, since at least 2017, Defendant Hulse, under the name THATLifestyleNinja LLC, has offered several less expensive “training” programs on a variety of subjects, including how to become a successful seller on Amazon, Facebook, and Shopify, and how to create and sell digital course content online, with costs ranging from \$37 to \$1,997.

Defendants Hulse and THATLifeStyleNinja represent that purchasers are likely to earn hundreds of thousands of dollars per month and could become millionaires using these online training programs. These claims too are false or unsubstantiated. Purchasers of Hulse and THATLifeStyleNinjas' training programs are unlikely to earn the advertised income. Instead, they are likely to lose money.

9. Purchasers of Defendants' programs must agree not to post negative reviews about the programs. Defendants have threatened or harassed some purchasers for posting negative reviews. In addition, it appears that at least some of the positive reviews about Defendants on popular review websites, such as Trustpilot.com, are falsified.

10. From 2017 to 2021, Defendants have taken at least \$52 million from program purchasers.

11. On April 26, 2022, the FTC sent DK Automation LLC, Hulse, and Arnett a Notice of Penalty Offenses Concerning Money-Making Opportunities (the "Notice"), noting that Defendants could be subject to civil penalties for violations of the FTC Act in connection with their marketing claims, pursuant to 15 U.S.C. § 45(m)(1)(B); 16 C.F.R. § 1.98(e). The Notice stated that it is an unfair or deceptive trade practice to make false, misleading, or deceptive representations concerning the profits or earnings a participant in a money-making opportunity can expect or to engage in certain acts or practices related to consumer testimonials. Defendants have continued to use deceptive or unsubstantiated earnings claims in their marketing even after receiving the Notice.

JURISDICTION AND VENUE

12. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345.

13. Venue is proper in the United States District Court for the Southern District of Florida pursuant to 28 U.S.C. §§ 1391(b)(1) and 15 U.S.C. § 53(b).

PLAINTIFF

14. The FTC is an independent agency of the United States government created by the FTC Act, which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§ 41– 58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission also enforces the Business Opportunity Rule, 16 C.F.R. Part 437, as amended, which requires specific disclosures and prohibits certain misrepresentations in connection with the sale of a business opportunity, and the Consumer Review Fairness Act, 15 U.S.C. § 45b, which limits provisions in form contracts that restrict a consumers’ ability to communicate reviews about a business’ products or services.

DEFENDANTS

15. Defendant DK Automation LLC (“DK”) is a Nevada limited liability company with its principal place of business at 1111 S. Roop St., #100, Carson City, Nevada, 89702. DK transacts or has transacted business in this District and throughout the United States. At times relevant to this Complaint, acting alone or in concert with others, DK has advertised, marketed, distributed, or sold business opportunities to consumers throughout the United States.

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