

Mark J. Bernet, Receiver

- MOBE Ltd. (Malaysia)
 - MobeProcessing.com, Inc. (US)
 - MobeTraining.com, Inc. (US)
 - Transaction Management USA, Inc. (US)
 - MOBE Pro Ltd. (UK)
 - MOBE Online Ltd. (Mauritius)
 - 9336-0311 Quebec, Inc. (Canada)
 - Matt LloydPublishing.com, Pvt (Australia)
 - MOBE Inc. (Panama)
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June 11, 2018
Tampa, Florida

On Monday, June 4, 2018, the Federal Trade Commission, an agency of the United States of America (“FTC”), filed a civil lawsuit against the following persons and entities:

- MOBE Ltd., d/b/a MOBE, d/b/a My Online Business Education, d/b/a My Own Business Empire (Malaysia)
- MobeProcessing.com, Inc. (US)
- MobeTraining.com, Inc. (US)
- Transaction Management USA, Inc. (US)
- MOBE Pro Limited (UK)
- MOBE Online Ltd. (Mauritius)
- 9336-0311 Quebec, Inc., d/b/a Business Education Training (Canada)
- Matt Lloyd Publishing.com, Pty Ltd., d/b/a Matt Lloyd Publishing, d/b/a Home Business Builders (Australia)
- MOBE Inc. (Panama)
- Matthew Lloyd McPhee, a/k/a Matt Lloyd, a/k/a Matthew Lloyd
- Russell W. Whitney, Jr.; and
- Susan Zanghi

The lawsuit is pending in the United States District Court for the Middle District of Florida, Orlando Division. A copy of the Complaint is posted on this website.

In the lawsuit, the FTC alleged that the defendants operated a fraudulent internet business education program called “My Online Business Education,” or “MOBE,” through which the Defendants claimed they would reveal a “simple 21-step system that will show consumers how to quickly and easily start their own online business and make substantial income.” However, the FTC further alleged that, contrary to the Defendants’ representations, “the vast majority of consumers who join the MOBE program and purchase . . . costly MOBE memberships lose money.” According to the FTC, this “internet business” that consumers are taught to launch in Defendants’ program is nothing more than buying costly MOBE memberships for thousands of dollars and recruiting other consumers to pay thousands of dollars to purchase those same memberships. The FTC further alleged that by operating the business in the fashion they operated it, the Defendants violated Section 5(a) of the FTC Act, 15 U.S.C.A. §45(a).

As part of the lawsuit, the FTC also filed a motion requesting that the Court enter a temporary restraining order and a preliminary injunction, to enjoin the Defendants from continuing to engage in the conduct that formed the basis for the lawsuit. At approximately 11:23 a.m. on Tuesday, June 5, 2018, United States District Judge Roy B. Dalton, Jr. entered an *Ex Parte Temporary Restraining Order* (hereafter the “TRO”), a copy of which is posted to this website. In the TRO the Court made the following specific finding:

There is good cause to believe that Defendants have engaged in and are likely to engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that [the FTC] is therefore likely to prevail on the merits of this action. . . . {T}he FTC has established a likelihood of success in showing that Defendants have made material misrepresentations that purchasers of their program are likely to earn substantial income quickly and easily and that dissatisfied purchasers can get their money back.

Among other things, the TRO:

- Enjoins the Defendants from making false representations concerning what consumers are likely to earn through the MOBE system, or concerning consumers ability to obtain refunds from Defendants without conditions;
- Enjoins the Defendants from making false representations concerning the Defendants’ refund policies;
- Enjoins the Defendants from selling, copying, releasing or disposing of any customer information, including customer names, addresses, telephone numbers, email addresses, etc.; and
- Freezes the assets of the Defendants and enjoins them from transferring, selling, or otherwise disposing of any of their assets.

Additionally, in the TRO Judge Dalton appointed Mark J. Bernet as the Temporary Receiver for each of the nine companies identified in the first paragraph above (collectively, the "Receivership Defendants"). The TRO directed the Receiver to take control of the Receivership Defendants and their assets, but directed that the Receiver should “suspend business operations

of the Receivership Entities if in the business judgment of the Receiver such operations cannot be continued legally and profitably.” TRO, Section XII. S., page 17. The Receiver presently has not been able to conclude that the business operations can be continued legally and profitably, and as a result, for the time being the business operations are suspended.

Judge Dalton has scheduled a hearing for June 26, 2018, to determine whether the TRO should be terminated, extended or converted into a preliminary injunction. The outcome of that hearing will be provided on this website.

Some frequently-asked questions:

- *Why did the FTC sue the Defendants?*

The FTC received numerous complaint from consumers who claimed to have paid several thousand dollars to the Defendants, based on Defendants' promises that they would show consumers their secret formula or method for making substantial income through an internet business. Defendants' guaranteed that consumers would make a substantial income. Consumers who purchased the MOBE system or program complained that they did not make the promised income but instead that they were encouraged to pay more and more money into the program which ultimately, instructed them to solicit other consumers to pay thousands of dollars, with the same result. Few consumers earned enough to recover even the amounts they paid to Defendants. The FTC's position with respect to the lawsuit can be viewed at [[FTC Press Release](#)]. Here are some other links concerning the matter:

https://www.ftc.gov/news-events/blogs/business-blog/2018/06/ftc-alleges-mobe-tells-whale-tale-misleading-money-making?utm_source=govdelivery

https://www.consumer.ftc.gov/blog/2018/06/work-home-business-scam-sidelined?utm_source=govdelivery

<https://www.ftc.gov/enforcement/cases-proceedings/172-3072/mobe-ltd-et-al>

- *Is the MOBE system a scam?*

According to the FTC, MOBE is a scam:

"Defendants' stock-in-trade is a purported "business education" program called "My Online Business Education" or "MOBE," that claims to teach consumers how to launch their own online business and generate substantial income. Defendants claim to have a "proven" system for making money quickly and easily through internet marketing, which they promise to unveil to those who pay to join their program. Once consumers are lured into joining the program for a modest entry fee of \$49, Defendants apply a series of high-pressure tactics to induce consumers to buy their various membership level packages – starting at \$2,497 and progressively becoming more expensive – with the false promise that consumers will reap substantial returns on these "investments." Defendants

promise even greater returns to those consumers who upgrade to higher membership levels that cost tens of thousands of dollars more. To close the sale, Defendants even mislead consumers into believing that the MOBE program is risk-free and consumers can get their money back if not satisfied.

"In reality, the vast majority of consumers who buy into the MOBE program and pay for these memberships make very little to no money, and many experience crippling losses or mounting debts. Some consumers have lost as much as \$60,000 or more to Defendants. Although Defendants claim to offer a system for making substantial income quickly and easily, the only ones making that kind of money are Defendants and a few insiders. Defendants' CEO, Matthew Lloyd McPhee a/k/a Matt Lloyd, is unflinching about how they make this money – as he explained in a recent email, "you're looking for a very unhappy group of people who are in physical or emotional pain, so you can help alleviate their pain in return for their money."

- *But they told me I could make a lot of money by following their system? They told me there was a money back guaranty?*

In its Complaint, the FTC has pointed to data from Defendants' income statements showing that the average MOBE consultant is likely to earn no more than \$250 per year in commissions, while being required to pay thousands of dollars, or more, to Defendants to earn these commissions. Consumers who upgrade to the Diamond Level of the program typically have to pay about \$60,000.

One of the issues raised by the FTC in the lawsuit is the supposed money-back guaranty. According to the lawsuit, Defendants advertise that their program is 100 percent risk-free and comes with a money-back guaranty. Consumers complain, however, that MOBE often did not honor this supposed money-back guaranty.

- *Should I continue to make payments?*

No. Do not make payments and do not attend workshops or seminars.

- *What should I do with social media sites and other marketing materials that I have created?*

The FTC has alleged that the MOBE system operates in violation of Section 5 of the FTC Act. The court has, at least temporarily, agreed that this is the case. If you have created a social media site, such as on Facebook, that is promoting or operating the MOBE system, there is a good chance you are violating federal law. I encourage you to suspend such social media sites.

- *What is the June 26, 2018 hearing about?*

Under the federal rules of civil procedure, a Temporary Restraining Order can remain in effect only for only a limited period of time. The parties against whom the TRO is entered are entitled to appear in Court and argue that the TRO should end, while the FTC will be permitted to argue that that the TRO should be extended. The Court will consider written and oral arguments from the lawyers, and may choose to take the testimony of witnesses. If the Court determines that the TRO should not be extended, then it will enter an order dissolving the TRO. In that case, the parties against whom the TRO was entered will be permitted to resume their business activities. On the other hand, if the Court determines that the TRO should remain in place, it will enter a Preliminary Injunction that, in all likelihood, will be similar or identical to the TRO.

- *Where is Matt Lloyd?*

Matt Lloyd's real name is Matthew Lloyd McPhee. He turned 31 in January of 2018. He is an Australian national but he lives now in Kuala Lumpur, Malaysia. He has maintained a very low profile since the lawsuit was filed; in particular, he has refused to contact the Receiver concerning this matter, despite the Receiver's efforts to contact him.

If anyone locates Mr. McPhee, please ask him to contact the Receiver.

- *What should I do next?*

Updates will be posted to this website. Already posted are the Complaint, the Motion requesting the TRO and the supporting materials, and the TRO.