

Complaint

IN THE MATTER OF

INDIGO INVESTMENT SYSTEMS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-4003; File No. 0023015
Complaint, March 7, 2001--Decision, March 7, 2001

This consent order addresses an advertising campaign designed to sell Indigo, a stock trading program, conducted by Respondent Indigo Investment Systems, Inc. -- and Respondent Frank Alfonso, its chief executive officer -- through ads in various media, including investment magazines, Internet banner ads, and three websites. The order, among other things, requires the respondents -- with regard to the sale of any trading program -- to possess a reasonable basis for future representations about the amount of earnings, income, or profit, or the rate of return, that a user of such trading program could reasonably expect to attain; the usual or typical earnings, income, profit, or rate of return, achieved by users of such trading program or any part thereof; or any financial benefit or other benefit of any kind from the purchase or use of such trading program. The order also prohibits respondents, in connection with the sale of any trading program, from misrepresenting that hypothetical or simulated earnings data represent actual trading results; that users of such trading program can reasonably expect to trade with little risk; or the extent of risk to which users of the trading program are exposed. In addition, the order requires future benefits claims to be accompanied by the statement that the type of trading promoted involves high risks, and that traders can lose a significant amount of money.

Participants

For the Commission: *Janet M. Evans, C. Lee Peeler, and Russell Porter.*

For the Respondents: *Glenn Mitchell, Stein, Mitchell & Mezines.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Indigo Investment Systems, Inc., a corporation, and Frank Alfonso, individually and as an officer of the corporation ("respondents"), have violated the provisions of the Federal Trade

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Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Indigo Investment Systems, Inc. ("IISI") is a Florida corporation with its principal office or place of business at 8302 S. Tamiami Trail, Sarasota, Florida 34238. IISI was formerly known as MicroStar Research and Trading, Inc.
2. Respondent Frank Alfonso is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of IISI.
3. Respondents have advertised, offered for sale, sold, and distributed investment trading programs and training to the public. Investment trading programs sold by respondents include the "Indigo" program for trading stocks. The Indigo program issues, on a daily basis, signals advising its users to buy, sell, or hold specific stocks. These signals are based upon data generated by software programs that look at historical data to determine what trading patterns would, in the past, have been profitable. Respondents have advertised Indigo on their Web sites, www.microstar-research.com, www.msindigo.com, and www.indigoinvestor.com, as well as through Internet banners and newspaper advertisements.
4. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.
5. Respondents have disseminated or have caused to be disseminated advertisements for their investment trading programs and training, including but not necessarily limited to the attached Exhibits A through H. These advertisements contain the following statements:

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A. ***“INDIGO CAPTURES HUGE PROFITS
INVESTING IN HOT STOCKS!!!***

9/22/99 Indigo's MSX1_M05 - Stock Model Performance

Year	Annual RoR MSX	Annual RoR Market	Total Annual Buy/Hold	# of trades	Maximum Risk
1990	52.43%	-8.22%	-30.86%	285	10.35%
1991	107.22%	27.84%	63.15%	215	16.16%
1992	42.86%	4.42%	50.90%	175	10.62%
1993	27.06%	7.16%	12.61%	160	20.95%
1994	67.24%	-1.36%	9.80%	145	2.89%
1995	27.51%	35.30%	48.00%	110	5.58%
1996	85.83%	19.33%	36.85%	165	6.78%
1997	147.41%	31.76%	16.34%	265	6.79%
1998	141.59%	26.14%	7.45%	275	15.74%
1999	24.58%	8.98%	-51.99%	225	10.38%

**PAST PERFORMANCE DOES NOT
GUARANTEE FUTURE RESULTS**

(Amounts listed assume an initial investment size of \$10,000)

* * * *

[Consumer endorser:] ‘I have been actually investing and making money with the Indigo program. I recently made a trade with the msx405.por, making \$4,000 in one trade.’ Mr. Suprenant, NY”

Exhibit A (Web page, www.microstar-research.com/home/index2.htm)

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B. ***“Indigo Stock Test***

Here are some of Indigo’s recent positions:

Recent MSX Trades

ENTRY DATE	EXIT DATE	SYMBOL	POSITION	ENTRY PRICE	CURRENT PRICE	PROFIT
8/26/1999	08/30/99*	AMZN	SHORT	128.562	119.250	\$687
8/26/1999	08/30/99*	AOL	SHORT	100.438	93.250	\$682
8/27/1999	08/30/99*	BBY	SHORT	72.500	70.313	\$270
8/26/1999	08/30/99*	CMGI	SHORT	87.313	81.813	\$597
8/27/1999	08/30/99*	EBAY	SHORT	127.250	119.438	\$579
8/27/1999	08/30/99*	EXDS	SHORT	82.750	76.125	\$765
8/26/1999	08/30/99*	LU	SHORT	66.375	64.313	\$279
8/26/1999	08/30/99*	MSPG	SHORT	31.563	28.939	\$800
8/26/1999	08/30/99*	YHOO	SHORT	152.688	143.812	\$547

*CLOSED POSITIONS

\$10,000 INITIAL PURCHASE EACH OF 9 STOCKS

(AMZN, AOL, BBY, CMGI, EBAY, EXDS, LU, MSPG, YHOO)

1999 ANNUALIZED – PAST PERFORMANCE DOES NOT GUARANTEE
FUTURE RESULTS

**Enter your stock symbol below to learn how Indigo will
maximize your profits and reduce your risk!”**

Exhibit B (Web page, www.microstar-research.com/home/stocktest/msxquote.shtml)

C. **“Click, Click, You’re Rich?”**

It costs more than chump change, but Indigo - Blue Chip Investment Strategies, the investment management software program (actual cost: \$2,720) developed by Sarasota’s MicroStar Research & Trading, Inc., has done “phenomenally well” since it was introduced in 1995, says sales manager Greg Roper.

“With this program, you don’t shoot yourself in the foot by second-guessing,” he says. “It’s not emotional; it’s not greedy.” Click on its signal update, and Indigo instructs on which securities to buy and/or sell at what prices. “Those instructions are based on the internal research and analysis that the program does every day,” Roper says. “It gives the individual investor the same edge in terms of technical research

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and trading pattern analysis that the big brokers and large institutional traders have,” Roper says.

* * * *

MicroStar’s clients have seen their conservative portfolios jump “40 percent annually over the past three years, while most aggressive portfolios with hot internet stocks have gone up several hundred percent,” Roper says.”

Exhibit C (Web page, www.microstar-research.com/home/reviews/maddux.htm)

D. “Real People . . . Real Results !!!

Indigo . . . A powerful easy to use computer trading program designed for individual investors. Fully researched and ready-to-trade, the program provides you with 100% objective signals that consistently beat the market!

* * * *

Listen to what some of our customers have to say.

* * * *

[Consumer endorser:] “I began trading with about \$30,000. I have made approximately \$210,000 using the program in the past 5 months. Since 1/19/1999, I have made a 200% profit in about 80 days!!!! On occasion, I try to improve on the program by buying a stock earlier or later than the program would signal - this is almost always a bad decision. If you can just follow what the program tells you to do, you will make money.”

D. Heacock, VA

* * * *

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Indigo will quickly update your stock and mutual fund data, automatically analyze the markets with scientifically tested investment methods, and get you into winning stocks and mutual funds. . .all in less than 10 minutes a day!

[Consumer endorser:] “I made \$2,100 with Indigo in the last 5 weeks. The technical support is excellent. Easy portfolio management. Research and testing is easy and complete. The staff is helpful and friendly, especially for beginners to Indigo.”
C. Brennman, FL”

Exhibit D (Web page, www.microstar-research.com/home/testimony/testimony.htm)

- E. **“INDIGO ONLINE (*Which is representative of Indigo Investment Software*) IS NOW UP 193% ANNUALIZED IN 1999 !!!!! THAT IS BEATING THE S&P 500 INDEX WHICH IS UP ONLY 26% ANNUALIZED IN 1999 !!!!!”**

Exhibit E (Web page, www.microstar-research.com/cgi-local/marketprt.pl)

- F. **“\$10,000 to over \$10,000,000
with . . .
Indigo’s RSX Model**

Imagine earning over **10 million dollars in profits** since 1990 on only a \$10,000 original investment. That’s what Indigo’s 10-Stock Relative Strength Model RSX could have produced for you . . . **an average annual return of over 115% per year!**

* * * *

HIGH
ANNUAL
RETURNS
LOW RISK”

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Exhibit F (newspaper ad, Investor's Business Daily)

G. ***"If you were using INDIGO's RSX - TECH 5 PORTFOLIO you could now have \$539,329 IN PROFITS!!!"***

* * * *

**Indigo
Investment Software**

Imagine your **\$10,000** account growing to over **\$539,329!** That's what Indigo produced since 1994 trading 3 High Tech Industry stocks . . ."

Exhibit G (newspaper ad, Investor's Business Daily)

H. **"Stock Performance Test**

Put Us To The Test!

This stock performance test will show you the past results trading with Indigo Investment Software. Please enter the stock of your choice . . .

Here are a few dynamic performances from Indigo for 1999:

77.19% trading AOL (America Online)
71.99% trading BGEN (Biogen)
62.48% trading HD (Home Depot)"

[Stock test entry form follows, requiring entry of stock symbol, name, country, telephone number and e-mail address. Upon entering the stock symbol "LU," completing the form and pushing the submit button, the consumer receives the following automated response:]

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“Stock Performance Test Results for Lucent Technology - LU

The results shown below are based upon an initial investment size of \$10,000. The trading period is indicated by the dates below in the blue bar. The net profit includes interest and compounded equity.

Performance Summary**April 01, 1996 - December 31, 1999**

Total Net Profit: \$82,235
 Total Trades: 19
 % Winning Trades: 78.95%
 Annual % Return: 80.83%
 Maximum Risk: 7.68%

Yearly Performance

Year	Indigo Annual % Return	Market Annual % Return	Number of Trades	Percentage of Wins	Maximum Risk
1996	62.72%	13.27%	4	100.00%	.00%
1997	59.60%	31.01%	3	66.67%	5.64%
1998	202.75%	25.57%	5	80.00%	4.27%
1999	17.16%	19.37%	7	71.43%	6.66%

To find out how you can start making PROFITS like this. . . .

CALL INDIGO INVESTMENT SYSTEMS NOW!!!

* * * *

Performance results listed above and in all marketing materials represent simulated computer results over past historical data, and not the results of an actual account. Hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under-or-over compensated for the

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impact, if any, of certain market factors, such as lack of liquidity. Simulated programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Testimonial or actual account results presented to not necessarily reflect the results of all users of the program. Past performance does not guarantee future results. Trading some indigo models represents a high risk speculative investment. Please read customer disclosure document before purchasing."

Exhibit H (Web pages, www.msindigo.com/index.cfm?fuseAction=showStockTestForm, and www.msindigo.com/index.cfm?fuseAction=requestStockTest)

6. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that:

- a. The Indigo earnings data described in the ads represent trades that were actually made and that resulted in the profits stated in the advertisements;
- b. The annual returns for the years 1990 through 1999, as enumerated in the advertisements, were actually achieved by users of respondents' Indigo trading program; and
- c. Users of respondents' Indigo investment trading program can reasonably expect to trade with little financial risk.

7. In truth and in fact:

- a. The Indigo earnings data described on the site do not represent trades that were actually made and that resulted in the profits stated in the advertisements. The data represent results of hypothetical trading and are

Complaint

prepared with the benefit of hindsight using historical data.

- b. The annual returns for the years 1990 through 1999, as enumerated in the advertisements, were not actually achieved by users of respondents' Indigo trading program. The annual returns are based upon hypothetical trades using historical data. Indeed, respondents' Indigo trading program did not exist until 1995.
- c. Users of respondents' Indigo trading program cannot reasonably expect to trade with little financial risk. Consumers who trade in stocks risk a substantial loss of capital, and trading some Indigo models represents a high risk speculative investment.

Therefore, the representations set forth in Paragraph 6 were, and are, false or misleading.

8. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that:

- a. Most users of respondents' Indigo trading program who have invested in conservative portfolios have achieved an annual return of 40% over the past three years.
- b. Most users of respondents' Indigo trading program who have invested in aggressive portfolios with hot Internet stocks have achieved returns of several hundred percent.
- c. Testimonials appearing in the advertisements for respondents' Indigo trading program reflect the typical or ordinary experience of members of the public who use the program.

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- d. Users of respondents' Indigo trading program can reasonably expect to achieve substantial profits on a consistent basis, whether pursuing a conservative or aggressive trading strategy.

9. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 8, at the time the representations were made.

10. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 8, at the time the representations were made. Therefore, the representation set forth in Paragraph 9 was, and is, false or misleading.

11. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this seventh day of March, 2001, has issued this complaint against respondents.

Complaint Exhibit A

SEE WHAT OUR USERS HAVE TO SAY ABOUT INDIGO

Indigo Online

Advanced Investment Research

HOME

CONTACT US

PRODUCTS

DOWNLOADS

OUR COMPANY

FREE STOCK TEST

NEWS & REVIEWS

SUPPORT

TESTIMONIALS

LINKS

**Research & Trading**

8302 S. Tamianni Trail

Sarasota, FL 34238

*We'll change the way you invest forever!***Important Message to all
Indigo customers!!****E-Trade Investors Click Here!****Notice Regarding 24 Hour Trading****INDIGO CAPTURES HUGE PROFITS
INVESTING IN HOT STOCKS!!!**

Indigo's MSX1 M05 - Stock Model Performance					
Year	Annual RoR MSX	Annual RoR Market	Annual Buy/Hold	Total # of trades	Maximum Risk
1990	52.43%	-8.22%	-30.86%	285	10.35%
1991	107.22%	27.84%	63.15%	215	16.16%
1992	42.86%	4.42%	50.90%	175	10.62%
1993	27.06%	7.16%	12.61%	160	20.95%
1994	67.24%	-1.36%	9.81%	145	2.89%
1995	27.51%	35.30%	48.00%	110	5.58%
1996	85.83%	19.33%	36.85%	165	6.78%
1997	147.41%	31.76%	16.34%	265	6.79%
1998	141.59%	26.14%	7.45%	275	15.74%
1999	24.58%	8.98%	-51.99%	225	10.38%
PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS					
(Amounts listed assume an initial investment size of \$10,000)					
msx1 m05.mod - ADV,ARV,IFSIA,OCR,SFA					

MicroStar Training Seminars

We are now taking seminar reservations for
October 22nd & 23rd 1999
November 12th & 13th, 1999
 December - no seminar

Want to see a live presentation of MicroStar
 products at a location near you? Then go
On the Road with MicroStar!

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 All rights reserved

**Indigo
Data & Position
Information**

Indigo is an "all-in-one"
 investment package. It
 crunches the numbers,
 analyzes the data and
 tells me what to buy and
 sell. It blows the
 subjective programs and
 charting software away.
 Mr. Brett Anderson, TX

I have been actually
 investing and making
 money with the Indigo
 program. I recently made
 a trade with the
 max405.por, making
 \$4,000 in one trade.
 Mr. Suprenant, NY

What I really like about
 Indigo is that when I
 started using it from day
 one, the interface was
 easy to use and the
 program provides
 researched, ready-to-
 trade models and
 portfolios.

G. Wilson, OH

Indigo Stock Test

Here are some of Indigo's recent positions:

Recent MSX Trades						
ENTRY DATE	EXIT DATE	SYMBOL	POSITION	ENTRY PRICE	CURRENT PRICE	PROFIT
08/26/99	08/30/99*	AMZN	SHORT	128.582	119.250	\$ 687
08/26/99	08/30/99*	AOL	SHORT	100.438	93.250	\$ 682
08/27/99	08/30/99*	BBY	SHORT	72.500	70.313	\$ 270
08/26/99	08/30/99*	CMGI	SHORT	87.313	81.813	\$ 597
08/27/99	08/30/99*	EBAY	SHORT	127.250	119.438	\$ 579
08/27/99	08/30/99*	EXDS	SHORT	82.750	76.125	\$ 765
08/26/99	08/30/99*	LU	SHORT	66.375	64.313	\$ 279
08/26/99	08/30/99*	MSPG	SHORT	31.583	28.938	\$ 800
08/26/99	08/30/99*	YHOO	SHORT	152.688	143.812	\$ 547
*CLOSED POSITIONS						
\$10,000 INITIAL PURCHASE EACH OF 9 STOCKS (AMZN, AOL, BBY, CMGI, EBAY, EXDS, LU, MSPG, YHOO) 1999 ANNUALIZED - PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS						

Enter your stock symbol below to learn how Indigo will maximize your profits and reduce your risk! We'll send you detailed market statistics, yearly performance and recent trade listings.

(All fields marked with a * must be completed to process your stock test.)

*Stock Symbol:

Mr. ☒ Mrs. ☐ Ms. ☐

*First Name:

Middle Initial:

*Last Name:

*Telephone:

Organization:

*Address:

*City:

US Residents - Please leave Province blank.

Tampa Bay's
Maddux Report
August 1996
Business, Finance and Development

Click, Click, You're Rich?

It costs more than chump change, but Indigo - Blue Chip Investment Strategies, the investment management software program (actual cost: \$2,720) developed by Sarasota's MicroStar Research & Trading, Inc., has done "phenomenally well" since it was introduced in 1995, says sales manager Greg Roper.

"With this program, you don't shoot yourself in the foot by second-guessing," he says. "It's not emotional; it's not greedy." Click on its signal update, and Indigo instructs on which securities to buy and/or sell at what prices. "Those instructions are based on the internal research and analysis that the program does every day," Roper says. "It gives the individual investor the same edge in terms of technical research and trading pattern analysis that the big brokers and large institutional traders have," Roper says.

Indigo isn't a trading program, however. Investors have to use a broker or online trading service to buy and sell.

Now in its fourth, more user-friendly version, Indigo evolved from the earlier career of MicroStar president and chief analyst Frank J. Alfonso, a CPA who developed models while trading soybean futures on the Chicago Board of Trade 25 years ago. MicroStar has other products that provide market trading programs for futures, bonds, and the Standards & Poor Index.

The program continues to evolve. "We update at least once a year, changing names, adding portfolios. We put all new information on our Web site (<http://www.microstar-research.com>), and Indigo owners can download the latest models free." Roper said that by September, Indigo should be available online as a subscription service.

MicroStar's clients have seen their conservative portfolios jump "40 percent annually over the past three years, while most aggressive portfolios with hot internet stocks have gone up several hundred percent," Roper says.

The company itself is jumping. "We're about 28 people now, and we've just about quadrupled our office space since we opened in Sarasota in 1995," says Roper. "What our programs teach you to do is diversify.

With this program, you don't put all your money on 17 black and hope it turns again."

- by D.J. Wilson

Real People ... Real Results !!!

FREE STOCK TEST Dare to Compare !

Go ahead, enter your stock and how long you have been trading it. We'll run it through the Indigo program and you'll be surprised how much money you should have made!

**Call Now:
800 315-5635**

Indigo ... A powerful easy to use computer trading program designed for individual investors. Fully researched and ready-to-trade, the program provides you with 100% objective signals that consistently beat the market!

Don't wait! For immediate results: Call Now: 800 315-5635

Listen to what some of our customers have to say.

"I started with \$2,500 in a margin account Sept. 8, 1998 with the Growth4. On Dec. 15 1998, added another \$2,500 to my account and started using Internet3. Because of my concern with the internet stocks being overvalued, I transferred to Growth7. The following are my transactions to date (Jan. 20, 1999). Total equity after 4 1/2 months is \$12,575 on a \$5,000 investment. Great Program!"

P. Lowry, KS



"I began trading with about \$30,000. I have made about \$210,000 using the program in the past 5 months. Since 1/19/1999, I have made a 200% profit in about 80 days!!!! On occasion, I try to improve on the program by buying a stock earlier or later than the program would signal - this is almost always a bad decision. If you can just follow what the program tells you to do, you will make money."

D. Heacock, VA

"As an investor for ten years, I wish Indigo was around when I started. The Model and Portfolio test functions are easy to use and helped me pick 4 winning portfolio's in no time. It is an excellent program and paid for itself in a short time.

I think it's underpriced!"

J. Petitti, NY



Indigo will quickly update your stock and mutual fund data, automatically analyze the markets with scientifically tested investment methods, and get you into winning stocks and mutual funds... all in less than 10 minutes a day!



"I began using the program in October 98, and as of the end of January 99, I am \$3,000 short of my SECOND DOUBLE (Making 300% return on initial investment). Your program (Indigo) has paid for itself over "twenty" times in three months, and it couldn't be easier to use. It is uncanny how it "knows" when to get in and out."

J. Spann, CA

"I made \$2,100 with Indigo in the last 5 weeks. The Technical support is excellent. Easy portfolio management. Research and testing is easy and complete. The staff is helpful and friendly, especially for beginners to Indigo."

C. Brannan, FL



C. Brennan, FL



"I have several other programs. I still have to decide which stock to trade among many signals. Indigo is more powerful and accurate. The ease of use and fast operation gives me the confidence to hold stocks longer that I might ordinarily do. I recently did my first trade from the Internet2. I purchased 135 shares of Excite. Initial investment size \$6,428.94 on 12/29/98. Sold on 1/11/99 at \$10.019.85. A profit of \$3,590.91 in 13 days!"

J. Contant, NY

Don't wait! Be on the right side of the market tomorrow!

Call Now: 800 315-5635

Indigo™

Investment Software

"We'll change the way you invest forever."

Download a free demo: www.microstar-research.com

Headquarters: 8302 South Tamiami Trail, Sarasota Florida 34238

phone: 941 918-8268 fax: 941 918-8168

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.



Complaint Exhibit E



MicroStar Market Report

Volume 5 Issue 37

July 7, 1999

INDIGO ONLINE (Which is representative of Indigo Investment Software) IS NOW UP 193% ANNUALIZED IN 1999 !!!!! THAT IS BEATING THE S&P 500 INDEX WHICH IS UP ONLY 26% ANNUALIZED IN 1999 !!!!!

**** io_athm_msx1.mod (Excite@Home) 724% Average Annual Return since 1997 !!! 624% Annual Return in 1998 !!! 362% Annualized Return in 1999 vs. "only" 86% for buy/hold !!! LONG on 6/28/99 @ 52.750 TAKES PROFIT @ 56.938 on 7/06/99 and goes SHORT !!!!!

**** io_lcos_msx1.mod (Lycos) 461% Average Annual Return since 1996 !!! 232% Annual Return in 1998 !!! 1,354% Annualized Return in 1999 vs. "only" 181% for B/H !!! LONG @ 92.500 on 6/28/99... now 103.812 !!!!!

Afraid to Trade Internets ??? Indigo's MSX method makes money in VOLATILE MARKETS in other sectors too...

**** io_dg_oe2.mod (Dollar General) 90% Average Annual Return since 1990 !!! 81 Trades... 77% WINNING TRADES !!! Uses the "Over-Extended" method... for investors seeking High Returns with less trades than the active MSX method. 114% Annualized Return in 1999... 4 trades... all winners !!! LONG @ 26.000 on 6/01/99... now 30.813 !!!!!

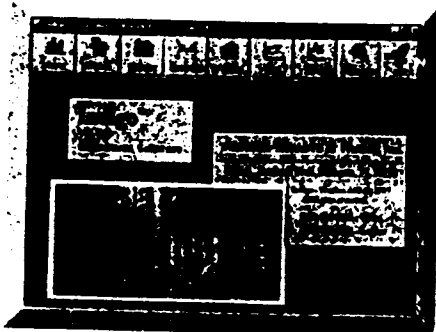
**** msx_bby4.mod (Best Buy) 162% Average Annual Return since 1990 !!! 278% Annual Return in 1998 !!! 640% Annualized Return in 1999 vs. "only" 281% for Buy/Hold ! SHORT on 6/24 @ 64.00...takes PROFIT @ on 6/28/99 and goes LONG @ 62.688... now 77.250 !!!!!

THE MARKET IS ON A "BULL RUN" RIGHT NOW... WHEN EVERYONE WAS WORRIED ABOUT THE MARKET 3 WEEKS AGO... INDIGO WAS PRODUCING PROFITABLE BUY SIGNALS !!!!!

DON'T MISS THIS MOVE... GET INDIGO TODAY !!!!!

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS

\$10,000 to over \$10,000,000 with... Indigo's RSX Model



Indigo

Investment Software

Imagine earning over 10 million dollars in profits since 1990 on only a \$10,000 original investment. That's what Indigo's 10-Stock Relative Strength Model RSX could have produced for you... an average annual return of over 115% per year!

Indigo... an easy-to-use, fully researched computer trading program designed to provide individual investors profitable 100% objective trading signals each day.

Indigo's easy-to-use software will quickly update your stock/fund data, automatically analyze the markets with the scientifically tested trading models provided, and get you into winning stocks and funds... right now!

**HIGH
ANNUAL
RETURNS
LOW RISK**

**CALL NOW:
1-800-315-5635**

www.microstar-research.com



THE INDIGO ADVANTAGE

10-Stock RSX Model Performance
\$10,000 INITIAL INVESTMENT 1/2/90

	ANNUAL RATE OF RETURN			YEARELY STOCKS SOLD		
YEAR	TOTAL	NET PROFIT	ANNUAL	ANNUAL	ANNUAL	ANNUAL
1990	\$2,001	20.07%	-8.22%	5	60.00%	11.93%
1991	\$17,575	135.52%	27.84%	4	50.00%	2.79%
1992	\$8,038	25.84%	4.42%	6	83.33%	26.46%
1993	\$43,835	105.84%	7.16%	5	80.00%	30.61%
1994	\$31,947	38.20%	-1.36%	5	80.00%	6.43%
1995	\$298,873	258.84%	35.36%	4	100.00%	0.00%
1996	\$305,910	73.75%	19.13%	5	60.00%	12.61%
1997	\$1,098,125	168.62%	31.76%	5	80.00%	0.00%
1998	\$5,725,757	319.79%	26.14%	3	66.67%	4.18%
1999	\$3,099,625	271.16%	24.16%	1	100.00%	0.00%

RECENT RSX TRADES

ENTRY	EXIT	STOCK	LONG	SHORT	LONG	SHORT
97/05/07	97/07/14	VLSI	Long	22.375	25.700	\$1,485
97/07/14	97/10/31	XCIT	Long	8.063	16.625	\$5,629
97/10/31	98/01/15	WMB	Long	25.531	27.063	\$570
98/01/15	98/05/08	YHOO	Long	32.625	57.375	\$7,558
98/05/22	98/08/03	VLSI	Long	16.875	16.125	(\$474)
98/08/03	98/02/05	YHOO	Long	45.000	172.063	\$28,200

rs_divcrse21.mod

*Open Position

STOCKS: VLSI Technology Inc., Verano Semiconductor, WorldCom, Inc., Western Union, Williams Cos., Hartford Financial, Exide Inc., Exxon Corp., Home Corp., Yahoo Inc.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS

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If you were using INDIGO'S RSX - TECH5 PORTFOLIO you could now have \$539,329 IN PROFITS!!!

Indigo
Investment Software

Imagine your \$10,000 account growing to over \$539,329! That's what Indigo produced since 1994 trading 3 High Technology stocks... Cisco Systems, Dell Computer and Microsoft Corp.

A powerful, but easy to use financial software program. Indigo will tell you exactly when to buy and when to sell... in less than 10 minutes a day!

YEAR	INDIGO	S&P500	TECH5POR	MAX RISK
1994	84.48%	1.36%	3.97%	3.97%
1995	84.18%	35.30%	3.60%	3.60%
1996	124.40%	19.33%	0.00%	0.00%
1997	153.25%	31.76%	0.00%	0.00%
1998	146.44%	26.14%	4.99%	4.99%
*1999	67.13%	32.23%	0.00%	0.00%

What our customers have to say...
"I have used the program since my purchase on October 9, 1994. The results have been nothing short of phenomenal. In account where I was High Growth it is up about 95%. Internal 51% up about 85% and Tech 5 is up about 45%. I now have complete confidence in the signals generated by the program, which are paving the road to success."
S. J. Maryland

"An individual with very limited computer skills will be up and running from day one. The rebalanced ready-to-trade portfolios allow the novice to invest immediately."
S. E. Virginia



- EASY TO USE
- HIGH RETURNS
- LOWER RISK

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UP 67% ANNUALIZED IN 1999...
INVESTING IN HOT HIGH TECH STOCKS
WITH ONLY 5% MAXIMUM RISK!!!
to Tech5

ENTRY DATE	EXIT DATE	SYMBOL	PRICE	ENTRY PRICE	EXIT PRICE	PROFIT
94/01/03	94/03/25	CSCO	7.194	7.800	\$	932
94/03/25	94/07/08	DELL	0.867	0.840	\$	(375)
94/07/08	94/07/27	MSFT	12.625	12.584	\$	(586)
94/07/27	95/02/16	CSCO	4.361	7.694	\$	8,498
95/02/16	95/04/04	DELL	1.422	1.352	\$	(846)
95/04/04	95/06/30	MSFT	17.500	22.406	\$	4,890
95/06/30	96/04/01	CSCO	11.333	20.722	\$	18,369
96/04/01	96/07/05	DELL	2.133	2.992	\$	16,505
96/07/05	96/08/27	MSFT	30.031	30.781	\$	1,407
96/08/27	96/11/01	DELL	3.969	5.094	\$	16,673
96/11/01	96/12/17	CSCO	27.778	28.800	\$	575
96/12/17	97/04/25	DELL	6.703	9.853	\$	36,302
97/04/25	97/09/11	CSCO	21.278	31.388	\$	53,709
97/09/11	97/10/27	DELL	21.969	22.906	\$	7,088
97/10/27	98/01/29	CSCO	35.111	41.333	\$	30,782
98/01/29	98/04/14	DELL	24.188	33.583	\$	79,294
98/04/14	98/05/06	MSFT	88.688	87.500	\$	(3,832)
98/05/06	98/06/19	DELL	44.531	42.750	\$	(11,235)
98/06/19	98/09/21	CSCO	55.083	59.825	\$	22,139
98/09/21	98/11/09	DELL	55.734	65.838	\$	53,246
98/11/09	99/02/17	CSCO	67.750	96.888	\$	147,015
99/02/17	99/03/15	DELL	39.125	43.750	\$	58,050



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Stock Test

Stock Performance Test

Put Us To The Test!

This stock performance test will show you the past results trading with Indigo Investment Software. Please enter the stock of your choice or call Indigo Investment Systems at 1-800-315-5635.

Here are a few dynamic performances from Indigo for 1999:

77.19% trading AOL (America Online)

71.99% trading BGEN (Biogen)

62.48% trading HD (Home Depot)

(All fields are required.)

Stock Symbol:

Mr. ☒ Mrs. ☐ Ms. ☐

First Name:

Last Name:

Country: ▼

Telephone:

Email:

Indigo Investment Systems' Privacy Policy: We will not release, sell or divulge in any manner, any personal information you submit to this site. The information you submit is for internal use only and by submitting this form you are providing your consent to be contacted by an Indigo Investment Systems representative via telephone or email.

Indigo™
Investment Systems, Inc

Indigo Investment Systems, Inc. formerly known as MicroStar Research & Trading, Inc.
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8320 S. Tamiami Trail, Sarasota, FL 34238; call toll-free: 1-800-315-5635



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Stock Test

Stock Performance Test Results for Lucent Technology - LU

The results shown below are based upon an initial investment size of \$10,000. The trading period is indicated by the dates below in the blue bar. The net profit includes interest and compounded equity.

Performance Summary

April 01, 1996 - December 31, 1999

Total Net Profit:	\$82,235
Total Trades:	19
% Winning Trades:	78.95%
Annual % Return:	80.83%
Maximum Risk:	7.68%

Yearly Performance

Year	Indigo Annual Return	Market Annual Return	Number of Trades	Percentage Wins	Maximum Risk
1996	62.72 %	13.27 %	4	100.00 %	.00 %
1997	59.60 %	31.01 %	3	66.67 %	5.64 %
1998	202.75 %	26.67 %	5	80.00 %	4.27 %
1999	17.16 %	19.37 %	7	71.43 %	6.66 %

To find out how you can start making PROFITS like this...

CALL INDIGO INVESTMENT SYSTEMS NOW!!!

1 - 800 - 315 - 5635

Performance results listed above and in all marketing materials represent simulated computer results over past historical data, and not the results of an actual account. Hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Testimonial or actual account results presented do not necessarily reflect the results of all users of the program. Past performance does not guarantee future results. Trading some Indigo models represents a high risk speculative investment. Please read customer disclosure document before purchasing.

Decision and Order

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violations of the Federal Trade Commission Act; and

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that a 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 for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34,, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Indigo Investment Systems, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida. The mailing address and principal

Decision and Order

place of business of Indigo Investment Systems, Inc. is 8302 S. Tamiami Trail, Sarasota, Florida 34238.

2. Proposed respondent Frank Alfonso is an officer or director of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporate respondent, including the acts or practices alleged in the complaint. His principal office or place of business is the same as that of Indigo Investment Systems, Inc.

3. 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.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. "Clearly and conspicuously" shall mean as follows:
 - A. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. *Provided, however,* that in any advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the ad is presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, and shall appear on the screen for a

Decision and Order

duration, sufficient for an ordinary consumer to read and comprehend it.

- 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 online services, "in close proximity" shall mean on the same Web page, online service page, or other electronic page, and proximate to the triggering representation, and shall not include disclosures accessed or displayed through hyperlinks, pop-ups, interstitials or other means.

3. "Commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

4. "Trading program" shall mean any program, service, course, instruction, system, training, manual, computer software, or other materials involving the purchase or sale of stocks, mutual funds, currencies, commodity futures, options, or other financial instruments or investments.

Decision and Order

5. Unless otherwise specified, "respondents" shall mean Indigo Investment Systems, Inc.; a corporation, its successors and assigns and its officers; Frank Alfonso, individually and as an officer of the corporation; and each of the above's agents, representatives, and employees.

I.

IT IS 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 trading program, in or affecting commerce, shall not represent, in any manner, expressly or by implication:

- A. The amount of earnings, income, or profit, or the rate of return, that a user of such trading program could reasonably expect to attain;
- B. The usual or typical earnings, income, profit, or rate of return, achieved by users of such trading program or any part thereof; or
- C. Any financial benefit or other benefit of any kind from the purchase or use of such trading program;

unless respondents possess and rely upon a reasonable basis substantiating the representation at the time it is made.

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 trading program, in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication,

Decision and Order

- A. That hypothetical or simulated earnings data represent actual trading results;
- B. That users of such trading program can reasonably expect to trade with little risk; or
- C. The extent of risk to which users of the trading program are exposed.

III.

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 Indigo Investment Software or any other trading program, in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, about the financial benefits of such program, unless they disclose, clearly and conspicuously, and in close proximity to the representation,

“STOCK [or CURRENCY, OPTIONS, ETC., as applicable] TRADING involves high risks and YOU can LOSE a significant amount of money”

Provided, the disclosure required by this Part is in addition to, and not in lieu of, any other disclosure that respondents may be required to make, including but not limited to any disclosure 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 from any other disclosure.

IV.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, trade name, or other

Decision and Order

device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any trading program, in or affecting commerce, shall not represent, in any manner, expressly or by implication, that the experience represented by any user, testimonial or endorsement of the trading program represents the typical or ordinary experience of members of the public who use the trading program unless:

- A. Respondents possess and rely upon a reasonable basis substantiating the representation at the time it is made; or
- B. Respondents disclose, clearly and conspicuously, and in close proximity to the endorsement or testimonial, either:
 - 1. what the generally expected results would be for users of the trading program, or
 - 2. the limited applicability of the endorser's experience to what users may generally expect to achieve, that is, that users should not expect to experience similar results.

For purposes of this Part, "endorsement" shall mean as defined in 16 C.F.R. § 255.0(b).

V.

IT IS FURTHER ORDERED that respondent Indigo Investment Services, Inc., and its successors and assigns, and respondent Frank Alfonso 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 (including packaging) containing the representation;

Decision and Order

- B. All materials that were relied upon in disseminating the representation; and
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

VI.

IT IS FURTHER ORDERED that respondent Indigo Investment Services, Inc, and its successors and assigns, and respondent Frank Alfonso shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities. Respondents shall maintain and upon request make available to the Commission for inspection and copying each such signed and dated statement for a period of three (3) years after creation.

VII.

IT IS FURTHER ORDERED that respondent Indigo Investment Services, Inc, and its successors and assigns shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution of a subsidiary, parent or affiliate that engages in any acts or practices

Decision and Order

subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge.

VIII.

IT IS FURTHER ORDERED that respondent Frank Alfonso, for a period of seven (7) years after the date of issuance of this order, shall notify the Commission of the discontinuance of his current business or employment, or of his affiliation with any new business or employment that involves investment trading programs or training. The notice shall include respondent's new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities.

IX.

IT IS FURTHER ORDERED that respondent Indigo Investment Services, Inc., and its successors and assigns shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

X.

This order will terminate on March 7, 2021 or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any

Decision and Order

violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not effect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

XI.

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, 601 Pennsylvania Avenue, N.W., Washington, D.C. 20580. ATTN: In the Matter of Indigo Investment Services, Inc.

By the Commission.

Analysis

Analysis of Proposed Consent Order to Aid Public Comment

Issued when the Commission tentatively approved a proposed consent order on January 9, 2001

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Indigo Investment Systems, Inc., a corporation, and Frank Alfonso, its CEO (together, “respondents”) settling charges that they engaged in a deceptive advertising campaign for Indigo, a stock trading program.

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

Respondents sold Indigo through ads in various media, including investment magazines, Internet banner ads, and three websites: www.microstar-research.com, www.msindigo.com, and www.indigoinvestor.com. According to the FTC complaint, respondents’ advertising falsely represented that Indigo earnings data described in the ads represent trades that were actually made and that resulted in the profits stated in the advertisements; that the annual returns for the years 1990 through 1999 enumerated in the advertisements were actually achieved by users of respondents’ Indigo trading program; and that users of respondents’ Indigo investment trading program can reasonably expect to trade with little financial risk. According to the complaint, the Indigo earnings data described on the site do not represent trades that were actually made and that resulted in the profits stated in the advertisements; instead, the data represent results of hypothetical trading and are prepared with the benefit of hindsight using historical data. The annual returns for the years 1990 through 1999 enumerated in the advertisements were not actually achieved by users of respondents’ Indigo trading program; instead, the annual returns are based upon hypothetical trades using historical data. Indeed, respondents’ Indigo trading

Analysis

program did not exist until 1995. Additionally, the complaint alleges, users of respondents' Indigo trading program cannot reasonably expect to trade with little financial risk; indeed, consumers who trade in stocks risk a substantial loss of capital, and trading some Indigo models represents a high risk speculative investment.

The complaint further alleges that respondents made several unsubstantiated claims. It alleges that respondents' advertising represented that most users of respondents' Indigo trading program who have invested in conservative portfolios have achieved an annual return of 40% over the past three years; that most users of respondents' Indigo trading program who have invested in aggressive portfolios with "hot" Internet stocks have achieved returns of several hundred percent; that testimonials appearing in the advertisements for respondents' Indigo trading program reflect the typical or ordinary experience of members of the public who use the program; and that users of respondents' Indigo trading program can reasonably expect to achieve substantial profits on a consistent basis, whether pursuing a conservative or aggressive trading strategy. Respondents, however, lacked a reasonable basis to substantiate these claims, according to the complaint.

The proposed consent order contains provisions designed to prevent respondents from engaging in similar acts and practices in the future. Part I of the order would require, with regard to the sale of any trading program, that respondents possess a reasonable basis for future representations about the amount of earnings, income, or profit, or the rate of return, that a user of such trading program could reasonably expect to attain; the usual or typical earnings, income, profit, or rate of return, achieved by users of such trading program or any part thereof; or any financial benefit or other benefit of any kind from the purchase or use of such trading program.

Part II of the order prohibits respondents, in connection with sale of any trading program, from misrepresenting that

Analysis

hypothetical or simulated earnings data represent actual trading results; that users of such trading program can reasonably expect to trade with little risk; or the extent of risk to which users of the trading program are exposed.

Part III requires that future benefits claims be accompanied by the statement that **“STOCK [or CURRENCY, OPTIONS, ETC., as applicable] TRADING involves high risks and YOU can LOSE a significant amount of money.”** Part IV prohibits respondents from representing that the experience represented by any user, testimonial or endorsement of the trading program represents the typical or ordinary experience of members of the public who use the trading program unless respondents can substantiate the typicality representation or they disclose either what the generally expected results would be for users of the trading program, or the limited applicability of the endorser's experience to what users may generally expect to achieve.

The remaining parts of the order contain standard record keeping, order distribution, reporting, compliance, and sunset provisions.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Complaint

IN THE MATTER OF

SHARP ELECTRONICS CORP.CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-4002; File No. 9923263*
Complaint, March 7, 2001--Decision, March 7, 2001

This consent order addresses advertising by Respondent Sharp Electronics Corporation for its Mobilon line of hand-held personal computers, including in particular representations that the products' operating system could be upgraded at a later date. The order, among other things, prohibits the respondent from misrepresenting the availability of any upgrade product. The order also requires the respondent to offer the promised upgrade to consumers who purchased a Mobilon 4100, 4500, or 4600 handheld PC.

Participants

For the Commission: *Kerry O'Brien, Matthew Gold, Erika Wodinsky, Jeffrey Klurfeld, Jesse B. Leary, Gerard R. Butters, Paul A. Pautler and Jeremy I. Bulow.*

For the Respondent: *Denis T. Rich and Patricia Medina, Howard, Rice, Nemerovski, Canady, Falk & Rabkin.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Sharp Electronics Corp., a corporation, ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Sharp Electronics Corp. is a New York corporation with its principal office or place of business at Sharp Plaza, Mahwah, New Jersey 07430-2135.
2. Respondent has advertised, labeled, offered for sale, sold, and distributed consumer electronics products to the public, including