

Complaint

IN THE MATTER OF

**CSGOLOTTO, INC.,
TREVOR MARTIN
A/K/A TMARTN,
AND
THOMAS CASSELL
A/K/A
THESYNDCATEPROJECT, TOM SYNDICATE,
AND SYNDICATE**

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

Docket No. C-4632; File No. 162 3184

Complaint, November 28, 2017 – Decision, November 28, 2017

This consent order addresses CSGOLotto, Inc.'s advertising for their website, www.csgolotto.com, which offered consumers the opportunity to gamble using what is in effect a virtual currency. The complaint alleges that respondents violated Section 5(a) of the FTC Act by misrepresenting that videos of Martin, Cassell, and other influencers gambling on CSGO Lotto and their social media posts about CSGO Lotto reflected the independent opinions or experiences of impartial users of the service. The complaint further alleges that respondents deceptively failed to disclose that Martin and Cassell were owners and officers of the company operating CSGO Lotto and that other influencers received compensation, including monetary payment, to promote CSGO Lotto. The consent order prohibits respondents, in connection with the sale of any product or service, from misrepresenting that any endorser of such product or service is an independent user or ordinary consumer of the product or service.

Participants

For the *Commission*: Michael Ostheimer.

For the *Respondents*: Coleman Watson, Watson LLP; Alicia J. Batts, Squire Patton Boggs.

COMPLAINT

The Federal Trade Commission, having reason to believe that CSGOLotto, Inc., a corporation, and Trevor Martin and Thomas Cassell, individually and as officers of CSGOLotto, Inc.

Complaint

(collectively, “Respondents”), have 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, CSGOLotto, Inc., is a Florida corporation with its principal office or place of business at 6511 Vineland Road, Orlando, FL 32819. It was incorporated in December 2015.

2. Respondent, Trevor Martin, also known as TmarTn, is the President and a 42.5% owner of CSGOLotto, Inc. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and practices of CSGOLotto, Inc., including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of CSGOLotto, Inc.

3. Respondent, Thomas Cassell, also known as TheSyndicateProject, Tom Syndicate, and Syndicate, is the Vice President and a 42.5% owner CSGOLotto, Inc. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and practices of CSGOLotto, Inc., including the acts and practices alleged in this complaint. When the acts and practices alleged in this complaint occurred, he resided in Los Angeles, California.

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 Martin and Cassell are both online influencers who operate YouTube channels focused primarily on online gaming. Respondent Martin’s YouTube channels include “TmarTn2.” Respondent Cassell’s YouTube channels include “TheSyndicateProject.” Each of these channels has millions of subscribers.

6. Counter-Strike: Global Offensive, also known as CS: GO, is an online, multiplayer, first-person shooter game, marketed by Valve Corp. Among other things, it uses collectible items called “skins,” which cover weapons in distinctive patterns. Skins can be bought, sold, and traded for real-world money.

Complaint

7. Beginning in October or November 2015, Respondents operated and advertised a website, www.csgolotto.com, that offered consumers the opportunity to gamble using skins as virtual currency (“CSGO Lotto”). Respondents earned revenue from their CSGO Lotto skin-betting service by charging an eight percent service fee on skin-betting pools.

8. Respondent CS GOLotto, Inc. provided Respondents Martin and Cassell with free skins with which to gamble on CSGO Lotto.

9. In a video posted in early-November 2015, Martin said,

I’ve been starting to bet a little bit more. ... [W]e found this new site called CSGO Lotto, so I’ll link it down in the description if you guys want to check it out. But we were betting on it today and I won a pot of like \$69 or something like that so it was a pretty small pot but it was like the coolest feeling ever. And I ended up like following them on Twitter and stuff and they hit me up. And they’re like talking to me about potentially doing like a skins sponsorship like they’ll give me skins to be able to bet on the site and stuff. And I’ve been like considering doing it.

10. Between mid-November 2015 and June 2016, Respondents Martin and Cassell posted videos to their respective YouTube channels showing themselves gambling on CSGO Lotto. These videos promoted CSGO Lotto and encouraged viewers to use the gambling service.

11. Between mid-November 2015 and June 2016, Respondent Martin posted at least 13 promotional videos to his “TmarTn2” YouTube channel showing himself gambling on CSGO Lotto, including ones with titles such as, “HOW TO WIN \$13,000 IN 5 MINUTES (CS-GO Betting),” “\$24,000 COIN FLIP (HUGE CSGO BETTING!) + Giveaway,” “HUGE WINS (And Losses) - CounterStrike Betting Challenge #2 (CSGO Skins),” and “CS-GO Betting - Part 3 - HUGE \$1000+ COIN FLIP BET! (Duel Arena Skin Gambling).” (See, e.g., Exhibits A – D).

Complaint

12. Nowhere in his videos promoting CSGO Lotto or in the videos' descriptions did Respondent Martin disclose that he was an officer and owner of the company operating CSGO Lotto or that he was gambling with free skins provided by that company. In the promotional videos showing him gambling on CSGO Lotto, Martin did not mention any connection between himself and CSGO Lotto and when he posted the videos he made no disclosures in the videos' descriptions.

13. Respondent Martin disseminated tweets that promoted CSGO Lotto and linked to his promotional videos. One such tweet read, "Made \$13k in about 5 minutes on CSGO betting. Absolutely insane. Reactions here 🤔: [YouTube link]." (March 6, 2016 tweet by @TmarTn). (Exhibit E). An Instagram post by Martin showed screen shots of TmarTn winning two betting pools on CSGO Lotto with the caption, "Unreal!! Won two back to back CSGOLotto games today on stream – \$13,000 in total winnings 🤔 🤔 🤔" (March 3, 2016 Instagram post by tmartn). (Exhibit F). Nowhere in his social media posts promoting CSGO Lotto did Martin disclose any connection between himself and CSGO Lotto.

14. Between January and June 2016, Cassell posted at least seven promotional videos showing himself gambling on CSGO Lotto, including ones with titles such as, "INSANE KNIFE BETS! (CS:GO Betting)," "CRAZY 6 KNIFE WIN!!! (CS:GO Betting)," and "ALL OR NOTHING! (CS:GO Betting)." (See, e.g., Exhibits G – I). Cassell's videos promoting CSGO Lotto garnered more than 5.7 million views.

15. Nowhere in his videos promoting CSGO Lotto or in the videos' descriptions did Respondent Cassell disclose that he was an officer and owner of the company operating CSGO Lotto. In at least five of his videos promoting CSGO Lotto, Cassell did not mention any connection between himself and CSGO Lotto. Each of these videos' description boxes included the statement "This video is sponsored by CSGO Lotto!" The disclosure appeared in the description boxes "below the fold" where it would not be visible without consumers having to click on a link and perhaps scroll down.

Complaint

16. Respondent Cassell disseminated tweets that promoted CSGO Lotto and did not disclose any connection between himself and CSGO Lotto. These tweets contained statements such as:

- a. “CRAZY 6 KNIFE WIN!!! (CS:GO BETTING): [YouTube link] ... OUR LUCK HAS CHANGED!!! 2016 IS THE YEAR OF THE KNIFZ! Site Used ► CSGO LOTTO: <https://csgolotto.com> Big thanks to Flux Pavilion for letting me use his music ...” (January 2, 2016 tweet by @ProSyndicate) (Exhibit J);
- b. “Bruh.. i've won like \$8,000 worth of CS:GO Skins today on @CSGOLotto I cannot even believe it!” (March 30, 2016 tweet by @ProSyndicate) (Exhibit K);
- c. “Not a bad way to start the day!” [*screen shot of Syndicate winning a betting pool worth over \$2,100 on CSGO Lotto*] (March 31, 2016 tweet by @ProSyndicate) (Exhibit L)
- d. “<3 @CSGOLotto” [*screen shot of Syndicate winning a betting pool worth over \$1,100 on CSGO Lotto*] (April 20, 2016 tweet by @ProSyndicate) (Exhibit M); and
- e. “I lied... I didn’t turn \$200 into \$4,000 on @CSGOLotto...I turned it into \$6,000!!!! csgolotto.com/duel-arena” [*screen shot of Syndicate winning a betting pool worth over \$4,400 on CSGO Lotto*] (April 20, 2016 tweet by @ProSyndicate) (Exhibit N).

17. As described in Paragraphs 9 through 16, consumers who saw promotions of CSGO Lotto by Respondents Martin or Cassell were unlikely to learn of the connection between Martin or Cassell and CSGO Lotto. Even those who did learn of a sponsorship relationship with CSGO Lotto would not have learned that Martin and Cassell were officers and owners of the company operating CSGO Lotto and thus had a vested interest in the success of the service or that they were gambling with skins that were provided by that company.

Complaint

18. Respondents used an “Influencer Program” to encourage certain online influencers “to post in their social media circles about their experiences in using” CSGO Lotto. Respondents contractually prohibited the influencers from making “statements, claims or representations ... that would impair the name, reputation and goodwill of” CSGO Lotto.

19. Payments to influencers were in United States dollars, skins credits, or a combination of both and ranged from \$2,500 to \$55,000.

20. Participants in Respondents’ influencer program included, among others: Albi Bytyqi, who operates the “SideArms4Reason” YouTube channel; Brennon O’Neil, who operates the “GoldGloveTV” YouTube channel; Joseph Rylott, who operates the “jahovaswitniss” YouTube channel; Lucas Watson, who operates the “KYRSP33DY” YouTube channel; Alan Widmann, who operates the “Hotted89” YouTube channel; Nathan “NBK” Schmitt, who operates a Twitch channel; and Edwin Castro, who operates a Twitch channel.

21. The influencers Respondents hired promoted CSGO Lotto on YouTube, Twitch, Twitter, and Facebook.

22. Numerous resulting YouTube videos of influencers gambling on CSGO Lotto did not include any sponsorship disclosure in the videos themselves and if they included sponsorship disclosures in the description boxes below the videos, they only did so “below the fold.”

23. Numerous resulting social media posts by influencers promoting CSGO Lotto did not include any sponsorship disclosures. These include:

- a. “LET’S GOOOO @CSGOLotto” [*screen shot of Hotted winning a betting pool worth over \$4,100 on CSGO Lotto*] (April 13, 2016 tweet by @hotted89) (Exhibit O);
- b. “25,000.00 @CSGOLotto COINFLIP!!! BIGGEST COINFLIP OF MY LIFE!! RT’s appreciated ;) [*YouTube link*]” [*CSGO Lotto screen shot with*

Complaint

“\$24000 COINFLIP ON CSGOLOTTO” *superimposed*] (April 27, 2016 tweet by @hotted89) (Exhibit P);

- c. “<3 @CSGOLotto” [*screen shot of jahova winning a betting pool worth over \$500 on CSGO Lotto*] (April 22, 2016 tweet by @JahovasWitniss) (Exhibit Q);
- d. “YES OMG @CSGOLotto” [*screen shot of SideArms winning a betting pool worth over \$2,700 on CSGO Lotto*] (May 7, 2016 tweet by @Albi_SideArms) (Exhibit R);
- e. “EZ \$\$\$\$\$\$ bets \$1,021.....WINS! @CSGOLotto [@twitch](http://twitch.tv.castro_1021)” [*screen shot of Castro1021 winning a betting pool worth over \$2,000 on CSGO Lotto*] (May 9, 2016 tweet by @Castro1021) (Exhibit S);
- f. “3 in a row :O @CSGOLotto <3” [*screen shot of jahova winning three consecutive CSGO Lotto betting pools*] (May 25, 2016 tweet by @JahovasWitniss) (Exhibit T);
- g. “The 3% has happened! @CSGOLotto” [*screen shot of nickbunyun betting \$158.91 and winning a betting pool worth over \$4,800 on CSGO Lotto*] (May 29, 2016 tweet by @nickbunyun) (Exhibit U); and
- h. “Stream is live at <http://www.twitch.tv/nbk> ! Ready to play FPL and fight you on @CSGOLotto 😊 ” (May 31, 2016 tweet by @G2NBK) (Exhibit V).

24. In late-June 2016, it became publicly known that Respondents Martin and Cassell ran the company operating CSGO Lotto. Shortly after that public revelation and the resulting public reaction, in July 2016 CSGO Lotto ceased operations.

Complaint

Count I**False Claim of Independent Reviews**

25. Through the means described in Paragraphs 9 through 23, Respondents have represented, directly or indirectly, expressly or by implication, that videos of Trevor Martin, Thomas Cassell, and other influencers gambling on CSGO Lotto and their social media posts about CSGO Lotto reflected the independent opinions or experiences of impartial users of the service.

26. In truth and in fact, the videos of Trevor Martin, Thomas Cassell, and other influencers gambling on CSGO Lotto and the social media posts about CSGO Lotto did not reflect the independent opinions or experiences of impartial users of the service. Trevor Martin is the President and an owner of the company operating CSGO Lotto. Thomas Cassell is the Vice President and an owner of the company operating CSGO Lotto. The other influencers were paid to promote CSGO Lotto and were prohibited from impairing its reputation. Therefore, the representation set forth in Paragraph 25 was, and is, false and misleading.

Count II**Deceptive Failure to Disclose Endorsers Were Owners and Officers**

27. Through the means described in Paragraphs 9 through 17, Respondents have represented, directly or indirectly, expressly or by implication, that videos of Trevor Martin and Thomas Cassell gambling on CSGO Lotto and their social media posts about CSGO Lotto reflected the opinions or experiences of individuals who had used the service. In numerous instances, Respondents failed to disclose or failed to disclose adequately that Trevor Martin and Thomas Cassell are owners and officers of the company operating CSGO Lotto. These facts would be material to consumers in their decisions regarding using CSGO Lotto. Respondents' failure to disclose or disclose adequately these facts, in light of the representation made, was, and is, a deceptive act or practice.

Complaint

Count III**Deceptive Failure to Disclose Endorsers Were Paid**

28. Through the means described in Paragraphs 18 through 23, Respondents have represented, directly or indirectly, expressly or by implication, that videos of influencers gambling on CSGO Lotto and the influencers' social media posts about CSGO Lotto reflect the opinions or experiences of individuals who had used the service. In numerous instances, Respondents have failed to disclose or failed to disclose adequately that the influencers received compensation, including monetary payment, to promote CSGO Lotto. These facts would be material to consumers in their decisions regarding using CSGO Lotto. Respondents' failure to disclose or disclose adequately these facts, in light of the representation made, was, and is, a deceptive act or practice.

Violations of Section 5

29. 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 twenty-eighth day of November, 2017, has issued this Complaint against Respondents.

By the Commission.

Exhibit A**Trevor Martin video****HOW TO WIN \$13,000 IN 5 MINUTES (CS-GO Betting)**

Complaint

Exhibit B

Trevor Martin video

\$24,000 COIN FLIP (HUGE CSGO BETTING!) + Giveaway

Exhibit C

Trevor Martin video

**HUGE WINS (And Losses) - CounterStrike
Betting Challenge #2 (CSGO Skins)**

Complaint Exhibit D

Trevor Martin video

**CS-GO Betting - Part 3
HUGE \$1000+ COIN FLIP BET!
(Duel Arena Skin Gambling)**

Complaint

Exhibit E



Exhibit F

Instagram

Q Search Get the app Sign up Log in

tmartn Follow

9,880 likes 52w

tmartn Unreal!! Won two back to back CSGOLotto games today on stream - \$13,000 in total winnings 🤖🤖🤖

view all 154 comments

luca_ramella @ro_ramella 🤖

nuzhdar_ss Aay man congrats on winning that \$8k u deserve it man

andre.blanchard @picouseth look at his total winnings

mj_losecar007 Congrats

kentile @thetuifu @d_money47

@nate_christy fuckin hate tmartn stupid ass

naguccigang @danyal_10 u can win that much

danyal_10 @shafalii shittttttt

wgbfive also why don't you ever respond in the group chat

Log in to like or comment.

Game 1 Results:

PLAYER	ITEMS ADDED	TOTAL	ODDS
Idont	1 Items	2362.50	26.66
TmarTn	2 Items	1670.00	18.84
eNjin	3 Items	467.79	5.28
B_Line	2 Items	6.15	0.07

Game 2 Results:

PLAYER	ITEMS ADDED	TOTAL	ODDS
TmarTn	3 Items	1448.50	32.59
OrderlyKarma	3 Items	8.47	0.19
INCEPTION	1 Items	922.50	20.76
Lke	1 Items	512.50	11.53

Complaint

Complaint Exhibit G

Thomas Cassell video

INSANE KNIFE BETS! (CS:GO Betting)

Complaint Exhibit H

Thomas Cassell video

CRAZY 6 KNIFE WIN!!! (CS:GO Betting)

Complaint Exhibit I

Thomas Cassell video

ALL OR NOTHING! (CS:GO Betting)

Complaint

Exhibit J



Exhibit K



Complaint

Exhibit L**Thomas**

@ProSyndicate



Follow



Not a bad way to start the day!

Duel

Stratular

We Are Groot

1093.93 - 50.62	1067.23 - 49.38
 ★ StatTrak™ Karambit Slaughter (Field-Tested) 347.5	 ★ Karambit Doppler (Factory New) 412.5
 ★ M9 Bayonet Doppler (Factory New) 328.15	 ★ M9 Bayonet Doppler (Factory New) 328.15
 AK-47 Fire Serpent (Minimal Wear) 306.89	 ★ M9 Bayonet Urban Masked (Factory New) 245.18
 ★ Flip Knife Rust Coat (Battle-Scarred) 67.57	 ★ Gut Knife Slaughter (Minimal Wear) 81.4
 AK-47 Vulcan (Minimal Wear) 43.82	

RETWEETS

130

LIKES

1,197



4:15 AM - 31 Mar 2016

Complaint

Exhibit M

 **Thomas** @ProSyndicate 

[Follow](#)

<3 @CSGOLotto

Duel


SheWants 61




Stratular

564.26 - 49.55	574.53 - 50.45
 ★ Flip Knife Marble Fade (Factory New) 249.31	 ★ StatTrak™ Huntsman Knife Blue Steel (Factory New) 455
 AK-47 Fire Serpent (Field-Tested) 212.8	 ★ StatTrak™ Shadow Daggers Scorched (Battle-Scarred) 67.76
 M4A4 Asimov (Field-Tested) 50.89	 ★ Gut Knife Scorched (Well-Worn) 51.77
 SSG 08 Blood in the Water (Minimal Wear) 29.27	
 StatTrak™ P250 Muertos (Field-Tested) 7.61	
 Glock-18 Reactor (Factory New) 5.71	

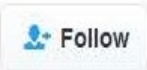
RETWEETS 50 LIKES 597

6:07 PM - 20 Apr 2016

11 50 597

Complaint

Exhibit N

 **Thomas** 
@ProSyndicate 

I lied... I didn't turn \$200 into \$4,000 on @CSGOLotto... I turned it into \$6,000!!!!
csgolotto.com/duel-arena

Duel

Twighsta	Stratular
2271.74 - 51.12	2172.62 - 48.88
 ★ StatTrak™ M9 Bayonet Doppler (Minimal Wear) 868.75	 ★ StatTrak™ M9 Bayonet Doppler (Minimal Wear) 868.75
 ★ StatTrak™ Bayonet Doppler (Factory New) 562.5	 ★ Karambit Doppler (Minimal Wear) 597.5
 ★ Karambit Doppler (Factory New) 442.5	 ★ StatTrak™ Bayonet Doppler (Factory New) 562.5
 ★ Bowie Knife Fade (Factory New) 397.99	 ★ Butterfly Knife 143.87

RETWEETS 68 LIKES 574 

6:26 PM - 20 Apr 2016

Complaint

Exhibit O

 **Alan Widmann** 
@hotted89

 Follow 

LET'S GOOOO @CSGOLotto

Duel

CONGRATULATIONS!
You are the winner of your duel with Insanity!
You may collect your winnings here.
Trade request for winnings that are over 10 minutes old will be revoked.


Insanity




Hotted

2078.94 - 50.19	2063.14 - 49.81
 ★ AWP Dragon Lore (Minimal Wear) 1248.75	 ★ StatTrak™ Karambit Doppler (Factory New) 661.25
 ★ Karambit Tiger Tooth (Factory New) 525	 ★ StatTrak™ Karambit Doppler (Factory New) 661.25
 ★ Glock-18 Fade (Factory New) 305.19	 ★ M9 Bayonet Doppler (Factory New) 369
	 ★ Karambit Urban Masked (Minimal Wear) 193.49
	 ★ Shadow Daggers Crimson Web (Minimal Wear) 178.15

RETWEETS 37 LIKES 249



Complaint

Exhibit P**Alan Widmann** ✓

@hotted89

Follow

25,000.00 @CSGOLotto COINFLIP!!!

BIGGEST COINFLIP OF MY LIFE!!

RT's appreciated ;)

youtu.be/H9MAJSn1gZg

RETWEETS

113

LIKES

201



4:27 PM - 27 Apr 2016

16

113

201

Complaint

Exhibit Q



Exhibit R

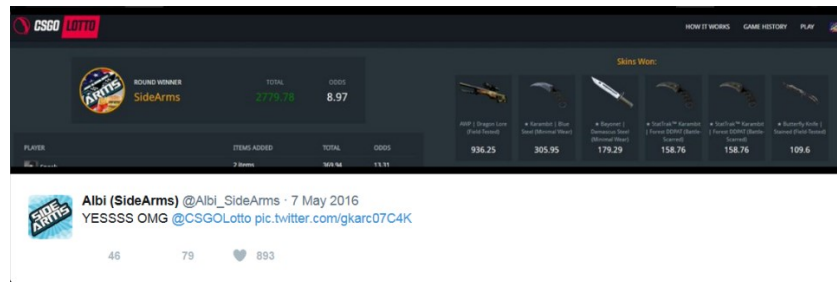


Exhibit S



Complaint

Exhibit T

 **Jahova** 
@JahovasWitness

[Follow](#)

3 in a row :O @CSGOLotto <3

Time	May 25th 2016, 6:55:42 pm	Score	42	Player	Jahova	Score	157982	4.85
Time	May 25th 2016, 6:06:39 pm	Score	35	Player	Jahova	Score	81228	45.56
Time	May 25th 2016, 6:05:05 pm	Score	40	Player	Jahova	Score	98823	73.15

RETWEETS 16 LIKES 230

6:35 PM - 25 May 2016

13 16 230

Exhibit U

 **nickbunyun** 
@nickbunyun

[Follow](#)

The 3% has happened! @CSGOLotto

PLAYER	ITEMS ADDED	TOTAL	ODDS
 Winner: nickbunyun	74 items	4855.32	3.27
WINNING Percent: 99.39445136114956%			
Winning Hash: (Validate) 896253b1421e5a7ee4149ceab90f575d			
Round Key: cgMgEC03H2 Total Tickets: 485546			
 nickbunyun	10 items	158.91	3.27

RETWEETS 110 LIKES 940

8:48 PM - 29 May 2016

26 110 940

Complaint

Exhibit V**Nathan Schmitt**

@G2NBK

Follow

Stream is live at twitch.tv/nbk !
Ready to play FPL and fight you on
[@CSGOLotto](https://twitter.com/CSGOLotto)



RETWEETS

26

LIKES

300



3:56 AM - 31 May 2016



8



26



300

Decision and Order

DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of certain acts and practices of the Respondents named in the caption. The Commission’s Bureau of Consumer Protection (“BCP”) prepared and furnished to Respondents a draft Complaint. BCP proposed to present the draft Complaint to the Commission for its consideration. If issued by the Commission, the draft Complaint would charge the Respondents with violation of the Federal Trade Commission Act.

Respondents and BCP thereafter executed an Agreement Containing Consent Order (“Consent Agreement”). The Consent Agreement includes: 1) statements by Respondents that they neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Decision and Order, and that only for purposes of this action, they admit the facts necessary to establish jurisdiction; and 2) waivers and other provisions as required by the Commission’s Rules.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered the comments received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34. Now, in further conformity with the procedure prescribed in Rule 2.34, the Commission issues its Complaint, makes the following Findings, and issues the following Order:

Findings

1. The Respondents are:
 - a. Respondent CSGOLotto, Inc., a Florida corporation with its principal office or place of business at 6511 Vineland Road, Orlando, FL 32819.

Decision and Order

- b. Respondent Trevor Martin, also known as TmarTn, the President and a 42.5% owner of CSGOLotto, Inc. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of CSGOLotto, Inc. His principal office or place of business is the same as that of CSGOLotto, Inc.
 - c. Respondent Thomas Cassell, also known as TheSyndicateProject, Tom Syndicate, and Syndicate, is the Vice President and a 42.5% owner of CSGOLotto, Inc. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of CSGOLotto, Inc.
2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

ORDER**Definitions**

For purposes of this Order, the following definitions apply:

- A. “Clearly and conspicuously” means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:
 1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure (“triggering representation”) is made through only one means.

Decision and Order

2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
 3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
 4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
 5. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the triggering representation appears.
 6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
 7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
 8. When the representation or sales practice targets a specific audience, such as children, the elderly, or the terminally ill, “ordinary consumers” includes reasonable members of that group.
- B. “Close proximity” means that the disclosure is very near the triggering representation. For example, a disclosure made through a hyperlink, pop-up, interstitial, or other similar technique is not in close proximity to the triggering representation.

Decision and Order

- C. “Respondents” means the Corporate Respondent and the Individual Respondents, individually, collectively, or in any combination.
1. “Corporate Respondent” means CSGOLotto, Inc., a corporation, and its successors and assigns.
 2. “Individual Respondents” means Trevor Martin, also known as TmarTn, and Thomas Cassell, also known as TheSyndicateProject, Tom Syndicate, and Syndicate.
- D. “Unexpected material connection” means any relationship that might materially affect the weight or credibility of a testimonial or endorsement and that would not reasonably be expected by consumers.

Provisions**I. Misrepresentation of Independence**

IT IS ORDERED that Respondents, and Respondents’ officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or sale of any product or service must not make any misrepresentation, expressly or by implication, that an endorser of such product or service is an independent user or ordinary consumer of the product or service.

II. Required Disclosure of Material Connections

IT IS FURTHER ORDERED that Respondents, and Respondents’ officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or sale of any product or service must not make any representation, expressly or by implication, about any consumer or other endorser of such product or service without disclosing, clearly and conspicuously, and in close proximity to that

Decision and Order

representation, any unexpected material connection between such endorser and (1) any Respondent; (2) any other individual or entity affiliated with the product or service; or (3) the product or service.

III. Monitoring of Endorsers

IT IS FURTHER ORDERED that Respondents, and Respondents' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, or sale of any product or service by means of an endorsement by an endorser with a material connection to (1) any Respondent, (2) any other individual or entity affiliated with the product or service, or (3) the product or service, must take steps sufficient to ensure compliance with Provisions I and II of this Order. Such steps shall include, at a minimum:

- A. Providing each such endorser with a clear statement of his or her responsibilities to disclose clearly and conspicuously, and in close proximity to the endorsement, in any online video, social media posting, or other communication endorsing the product or service, the endorser's unexpected material connection to any Respondent, any other individual or entity affiliated with the product or service, or the product or service, and obtaining from each such endorser a signed and dated statement acknowledging receipt of that statement and expressly agreeing to comply with it;
- B. Establishing, implementing, and thereafter maintaining a system to monitor and review the representations and disclosures of endorsers with material connections to any Respondent, any other individual or entity affiliated with the product or service, or the product or service, to ensure compliance with Provisions I and II of this Order. The system shall include, at a minimum, monitoring and reviewing the endorsers' online videos and social media postings;

Decision and Order

- C. Immediately terminating and ceasing payment to any endorser with a material connection to any Respondent, any other individual or entity affiliated with the product or service, or the product or service, who Respondents reasonably conclude:
1. Has misrepresented, in any manner, his or her independence or impartiality; or
 2. Has failed to disclose, clearly and conspicuously, and in close proximity to the endorsement, an unexpected material connection between such endorser and any Respondent, any other individual or entity affiliated with the product or service, or the product or service.

Provided, however, that Respondents may provide an endorser with notice of failure to adequately disclose and an opportunity to cure the disclosure prior to terminating the endorser if Respondents reasonably conclude that the failure to adequately disclose was inadvertent. Respondents shall inform any endorser to whom they have provided a notice of a failure to adequately disclose an unexpected material connection that any subsequent failure to adequately disclose will result in immediate termination; and

- D. Creating reports showing the results of the monitoring required by sub-provision B of this Provision of the Order.

IV. Acknowledgments of the Order

IT IS FURTHER ORDERED that Respondents obtain acknowledgments of receipt of this Order:

- A. Each Respondent, within 10 days after the effective date of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 5 years after the issuance date of this Order, each Individual Respondent for any business that such

Decision and Order

Respondent, individually or collectively with any other Respondents, is the majority owner or controls directly or indirectly, and Corporate Respondent, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Reports and Notices. Delivery must occur within 10 days after the effective date of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

- C. From each individual or entity to which a Respondent delivered a copy of this Order, that Respondent must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

V. Compliance Reports and Notices

IT IS FURTHER ORDERED that Respondents make timely submissions to the Commission:

- A. One year after the issuance date of this Order, each Respondent must submit a compliance report, sworn under penalty of perjury, in which:
 - 1. Each Respondent must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission, may use to communicate with Respondent; (b) identify all of that Respondent's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Respondent (which Individual Respondents must describe if they know or should know due to their

Decision and Order

own involvement); (d) describe in detail whether and how that Respondent is in compliance with each Provision of this Order, including a discussion of all of the changes the Respondent made to comply with the Order; and (e) provide a copy of each Acknowledgment of the Order obtained pursuant to this Order, unless previously submitted to the Commission.

2. Additionally, each Individual Respondent must:
 - (a) identify all his telephone numbers and all his physical, postal, email and Internet addresses, including all residences; (b) identify all his business activities, including any business for which such Respondent performs services whether as an employee or otherwise and any entity in which such Respondent has any ownership interest; and (c) describe in detail such Respondent's involvement in each such business activity, including title, role, responsibilities, participation, authority, control, and any ownership.
- B. For 10 years after the issuance date of this Order, each Respondent must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:
1. Each Respondent must submit notice of any change in: (a) any designated point of contact; or (b) the structure of Corporate Respondent or any entity that Respondent has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
 2. Additionally, each Individual Respondent must submit notice of any change in: (a) name, including alias or fictitious name, or residence

Decision and Order

address; or (b) title or role in any business activity, including (i) any business for which such Respondent performs services whether as an employee or otherwise and (ii) any entity in which such Respondent has any ownership interest and over which Respondents have direct or indirect control. For each such business activity, also identify its name, physical address, and any Internet address.

- C. Each Respondent must submit notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Respondent within 14 days of its filing.
- D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.
- E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In re CSGOLotto, Inc.

VI. Recordkeeping

IT IS FURTHER ORDERED that Respondents must create certain records for 10 years after the issuance date of the Order, and retain each such record for 5 years, unless otherwise specified below. Specifically, Corporate Respondent and each Individual Respondent for any business that such Respondent, individually

Decision and Order

or collectively with any other Respondents, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold, the costs incurred in generating those revenues, and resulting net profit or loss;
- B. personnel records showing, for each person providing services in relation to any aspect of the Order, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. copies or records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. all records necessary to demonstrate full compliance with each Provision of this Order, including all submissions to the Commission and the reports required pursuant to the Provision titled Monitoring of Endorsers;
- E. a copy of each unique advertisement or other marketing material making a representation subject to this Order; and
- F. for 5 years from the date created or received, all records, whether prepared by or on behalf of Respondents, that tend to show any lack of compliance by Respondents with this Order.

VII. Compliance Monitoring

IT IS FURTHER ORDERED that, for the purpose of monitoring Respondents' compliance with this Order:

Decision and Order

- A. Within 10 days of receipt of a written request from a representative of the Commission, each Respondent must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with each Respondent. Respondents must permit representatives of the Commission to interview anyone affiliated with any Respondent who has agreed to such an interview. The interviewee may have counsel present.
- C. The Commission may use all other lawful means, including posing through its representatives as consumers, suppliers, or other individuals or entities, to Respondents or any individual or entity affiliated with Respondents, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.
- D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Individual Respondents, pursuant to Section 604(2) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(2).

VIII. Order Effective Dates

IT IS FURTHER ORDERED that this Order is final and effective upon the date of its publication on the Commission's website (ftc.gov) as a final order. This Order will terminate on November 28, 2037, or 20 years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying settlement) in federal court alleging any violation of this Order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

Analysis to Aid Public Comment

- A. Any Provision in this Order that terminates in less than 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 Provision.

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 Provision 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.

By the Commission.

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC
COMMENT**

The Federal Trade Commission ("FTC" or "Commission") has accepted, subject to final approval, an agreement containing a consent order from CSGOLotto, Inc., Trevor Martin ("Martin"), and Thomas Cassell ("Cassell") (collectively "respondents").

The proposed consent order ("order") has been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 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 the final the agreement's order.

Analysis to Aid Public Comment

This matter involves respondents' advertising for their website, www.csgolotto.com ("CSGO Lotto"), which offered consumers the opportunity to gamble using what is in effect a virtual currency. The complaint alleges that respondents violated Section 5(a) of the FTC Act by misrepresenting that videos of Martin, Cassell, and other influencers gambling on CSGO Lotto and their social media posts about CSGO Lotto reflected the independent opinions or experiences of impartial users of the service. According to the complaint, Martin is the President, Cassell is the Vice President, and both are owners of the company operating CSGO Lotto, and the other influencers were paid to promote CSGO Lotto and were prohibited from impairing its reputation. The complaint further alleges that respondents deceptively failed to disclose that Martin and Cassell were owners and officers of the company operating CSGO Lotto and that other influencers received compensation, including monetary payment, to promote CSGO Lotto.

The order includes injunctive relief to address these alleged violations and fences in similar and related violations.

Provision I prohibits respondents, in connection with the sale of any product or service, from misrepresenting that any endorser of such product or service is an independent user or ordinary consumer of the product or service.

Provision II prohibits respondents from making any representation about any consumer or other endorser of a product or service without disclosing, clearly and conspicuously, and in close proximity to that representation, any unexpected material connection between the consumer or endorser and (1) any respondent, (2) any other individual or entity affiliated with the product or service, or (3) the product or service ("relevant material connections"). The order defines "clearly and conspicuously" as the term applies to the required disclosures.

Provision III sets out certain monitoring and compliance obligations to ensure that when respondents advertise or promote any product or service through endorsers with relevant material connections, the endorsers comply with Provisions I and II of the order. These obligations include: obtaining signed acknowledgements from such endorsers that they will disclose

Analysis to Aid Public Comment

their relevant material connections; monitoring the endorsers' representations and disclosures; maintaining records of monitoring efforts; and, under certain circumstances, terminating and ceasing payment to endorsers who misrepresent their independence or fail to properly disclose a relevant material connection.

Provision IV mandates that respondents acknowledge receipt of the order, distribute the order to principals, officers, and certain employees and agents, and obtain signed acknowledgments from them. **Provision V** requires that respondents submit compliance reports to the FTC one year after the order's issuance and submit notifications when certain events occur. **Provision VI** requires that for ten years respondents must create and retain certain records. **Provision VII** provides for the FTC's continued compliance monitoring of respondent's activity during the order's effective dates. **Provision VIII** provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

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

Complaint

IN THE MATTER OF

**MARS, INCORPORATED
AND
VCA INC.****CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT AND
SECTION 7 OF THE CLAYTON ACT***Docket No. C-4633; File No. 171 0057**Complaint, November 30, 2017– Decision, November 30, 2017*

This consent order addresses the \$9.1 billion acquisition by Mars, Incorporated of certain assets of VCA Inc. The complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act by lessening competition in the markets for certain specialty and emergency veterinary services in ten different localities in the United States. Under the order, Mars is required to divest twelve clinics.

Participants

For the *Commission*: Michael R. Barnett and David J. Gonen.

For the *Respondents*: Clifford H. Aronson and Michael J. Sheerin, Skadden, Arps, Slate, Meagher & Flom LLP; William Diaz, McDermott, Will & Emery; Paul B. Hewitt and Corey W. Roush, Akin Gump Strauss Hauer & Feld LLP.

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act, and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Mars, Incorporated (“Mars”), a corporation subject to the jurisdiction of the Commission, has agreed to acquire Respondent VCA Inc. (“VCA”), a corporation subject to the jurisdiction of the Commission, in violation of Section 5 of the Federal Trade Commission Act (“FTC Act”), as amended, 15 U.S.C. § 45, that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof