

BEWARE

YOUR CFTC LIABILITY

(And, no, that's not a typo)

Most affiliate advertisers are familiar with the FTC



FTC has focused on:

- ▶ False and deceptive nature of the product (ecigs)

– or –

- ▶ Unsolicited communication methods (unsolicited text)





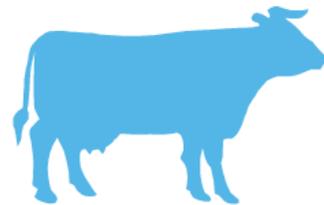
The CFTC

(The Commodities Futures Trading Commission)

regulates the sale of commodity
and financial futures options



- ▶ Futures contracts were originally for agricultural products and have been traded in the U.S. for 150 years

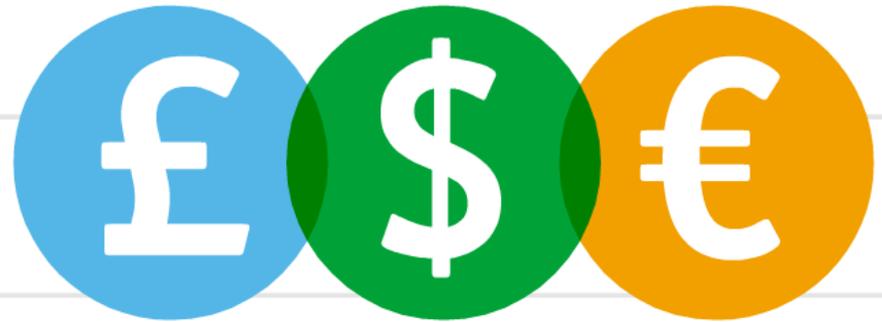




- ▶ Since the 1970s, commodities have expanded to include financial instruments, foreign currency and stock indexes
- ▶ Because the sale of so many financial and investment instruments are conducted online, affiliates have come under the scrutiny of the CFTC

Which affiliates are regulated by the CFTC?





▶ Foreign Currency Trading
Contracts (**FOREX**)



- ▶ Currency-trading employment opportunities
- ▶ Binary options





What

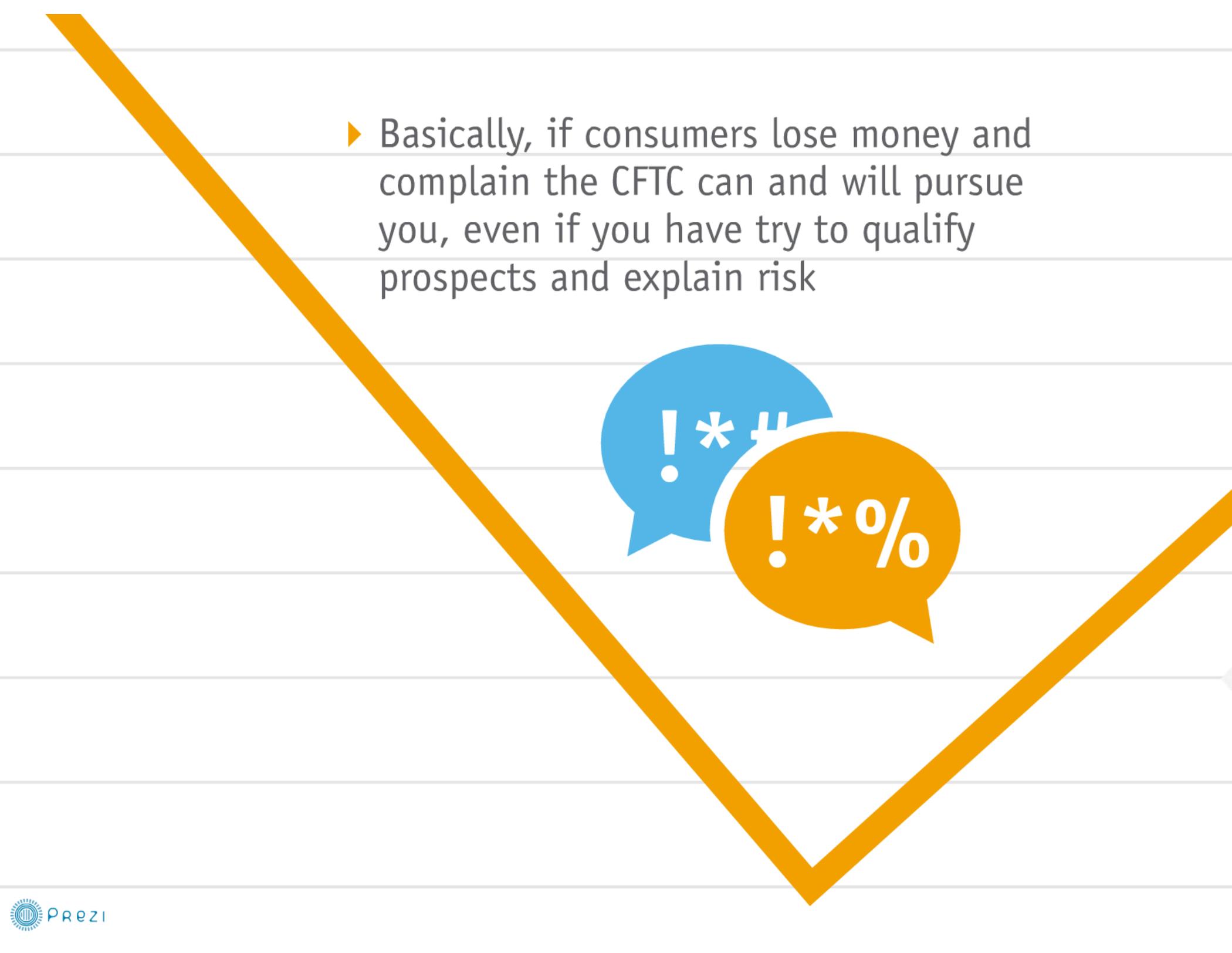
is the CFTC
looking for?

▶ Deceptive nature of advertising, but



▶ Financial returns are most important



- 
- ▶ Basically, if consumers lose money and complain the CFTC can and will pursue you, even if you have try to qualify prospects and explain risk



Compared to the CFTC,
the FTC is a nice guy



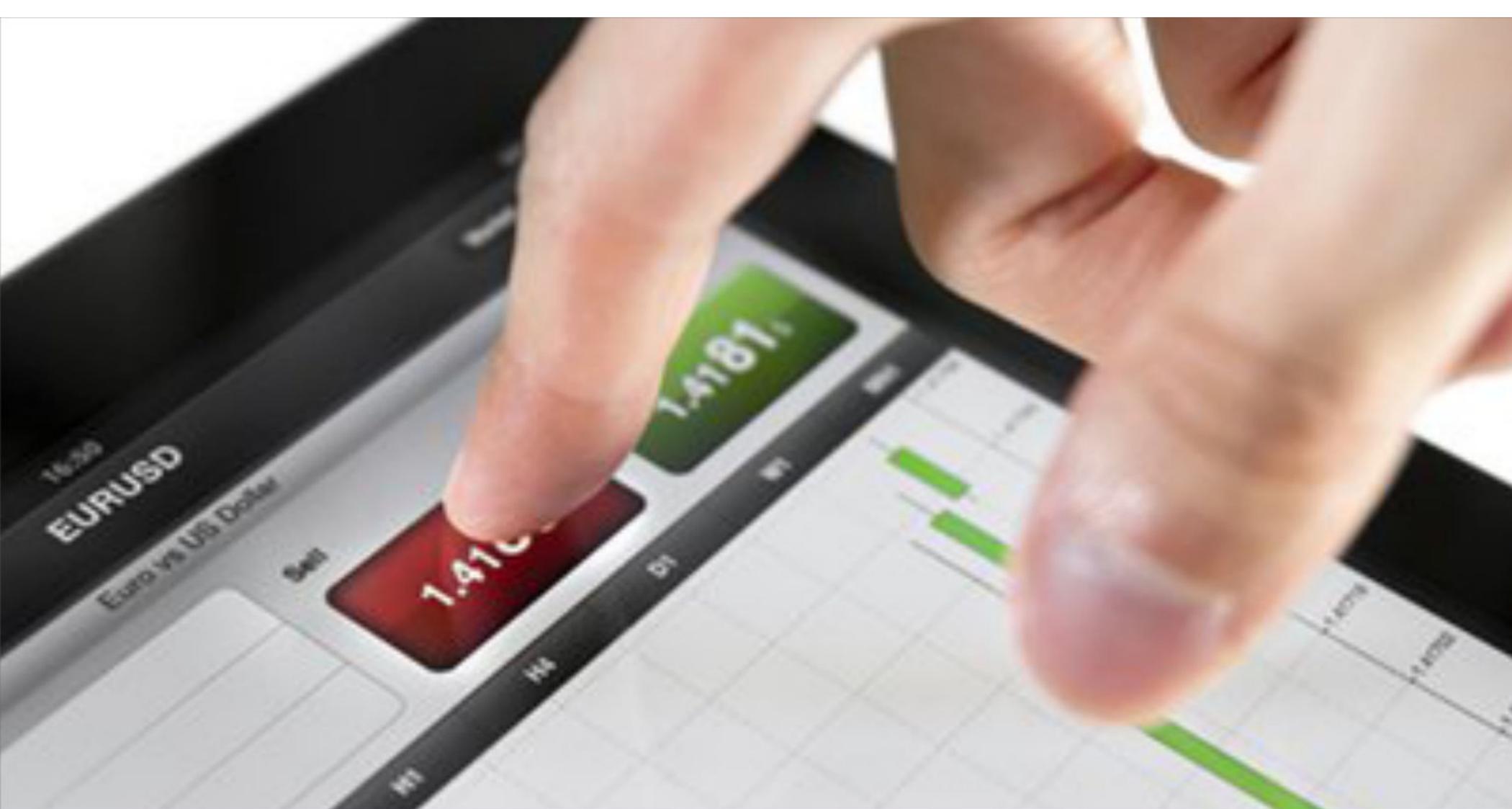
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- ▶ The FTC takes into consideration your ability to pay when assessing damages



The CFTC does **NOT**, and
takes everything you have
PLUS what you don't have.



CASE STUDY: Domain Name Seizure Reversed, Favorable Settlement Gained

(CFTC v. InstaForex, Case No. 1:11-cv-00188 (U.S. District Court, District of Columbia))

5 WAYS **AFFILIATES CAN** **MANAGE THEIR RISK**



**Do not promise
large profits**



Educate consumers
on the risk

3

Do not offer margin trading
without sufficient
explanation of the term

4

List your contact information and follow best business practices

5

Seek indemnification
from merchant if possible