

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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In the Matter of))	
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THE TED WARREN CORPORATION,))	
a corporation,))	
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THE KEN ROBERTS INSTITUTE, INC.,))	
a corporation,))	
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THE KEN ROBERTS COMPANY,))	DOCKET NO. C-4078
a corporation, and))	
))	
KEN ROBERTS,))	
as an officer of the corporations.))	
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COMPLAINT

The Federal Trade Commission, having reason to believe that The Ted Warren Corporation, The Ken Roberts Institute, Inc., and The Ken Roberts Company, corporations, and Ken Roberts, as an officer of the corporations ("proposed 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.a. Respondent The Ted Warren Corporation ("TWC") is an Oregon corporation with its principal office or place of business at 128 S.W. "I" Street, Grants Pass, OR 97526.
- 1.b. Respondent The Ken Roberts Institute, Inc., ("KRI") is an Oregon corporation with its principal office or place of business at 333 S.W. 5th Street, Grants Pass, OR 97526.
- 1.c. Respondent The Ken Roberts Company ("KRC") is an Oregon corporation with its principal

office or place of business at 333 S.W. 5th Street, Grants Pass, OR 97526.

- 1.d. Respondent Ken Roberts is an officer of TWC, KRI, and KRC. As an officer, Ken Roberts, individually or in concert with others, formulates, directs, or controls, the policies, acts, or practices of TWC, KRI, and KRC.

2. Respondents have advertised, offered for sale, sold, and distributed materials (“Investment Courses”) that purport to teach purchasers how to profitably trade stocks, commodity futures and options, and real estate. The Investment Courses sold by respondents include the “TWC Stock Course” for trading stocks, the “KRI Investment Portfolio” for creating an investment portfolio, the “KRC Commodity Course” for trading commodity futures contracts and options, and the “Jim Banks Probate Course,” pursuant to a marketing agreement with J.G. Banks, Inc., for purchasing real estate and personal property through probate proceedings. Respondents have sold these Investment Courses through the Internet web site www.kenroberts.net and related web sites.

3. 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.

4. In their Internet Advertisements, Respondents have represented by implication, that purchasers of the Investment Courses who make profitable “paper trades” – practice trades in which no funds are actually invested – using techniques described in the Investment Courses during one time period are likely to make profitable actual trades when their funds are invested in the market during a later time period.

5. In truth and in fact, successful “paper trading” during one time period does not predict successful actual trading during a later time period. Therefore, the representation set forth in Paragraph 4 was, and is, false or misleading.

6. In numerous instances, Respondents’ Internet advertisements fail to disclose in a clear and conspicuous manner material facts concerning the likelihood that purchasers of the Investment Courses will make substantial profits trading stocks, commodity futures and options, and real estate and the significant risk of loss that accompanies investments in these markets/products. Specifically, the Respondents have failed to disclose that:
 - (a) investments made pursuant to the Investment Courses involve high risks and that purchasers can lose a lot of money;

(b) successful paper trading using techniques contained in the Investment Courses does not mean that purchasers will be able to trade successfully in actual market conditions when their funds are at risk;

(c) investments in securities can result in the loss of all of the money invested;

(d) investments involving commodity futures contracts or the granting of options can result in the loss of more than the money invested;

(e) investments in commodities entail significant risk of loss and that according to many experts most individual investors who trade commodity futures or options lose money; and

(f) past results are not necessarily indicative of future results.

The failure to disclose and/or failure to disclose adequately these material facts, in light of the representations made, was, and is, a deceptive practice.

7. 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-ninth day of April, 2003, has issued this complaint against Respondents.

By the Commission.

Donald S. Clark
Secretary

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