



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

*The Commission is warning investors about the proliferation of investment scams conducted by online-based advertising companies through **paid-to-click (PTC) programs**.*

Getting paid to click on online ads may sound like an easy way to make money, but can also result in losing money. Online based advertising companies which entice people through paid-to-click (PTC) programs often promise investors a share of the program's profits in exchange for paying an upfront fee or buying products. For example, a PTC program may claim you can share in its profits if you buy clicking accounts, ad packs or other advertising products. These PTC programs might promise you significant gains from minimal investment, by doing bogus clicking jobs, by logging in everyday or by obtaining referrals or buying ad packs. They might even promise to share their profits with investors who have nothing to advertise – simply buy an account or an ad pack and share in the profits.

Before you purchase an account/membership or any advertising product from online-based advertising companies, be aware that some companies with PTC programs may be scams. For example, some PTC programs may be **Ponzi schemes**, where money from new investors is used to pay fake "profits" to earlier investors. **Don't let your guard down just because a PTC program claims it is not an investment scheme. Look out for these red flags:**

- **Easy money.** Be skeptical if you are offered high returns in exchange for merely investing minimal amounts, purchasing certain products or by doing trivial tasks such as clicking on a certain number of online ads each day. Any investment opportunity that sounds too good to be true, probably is or in most cases, a scam.
- **Required upfront payments.** Be wary if you are asked to pay money upfront, make deposit in bank accounts, or by using bitcoins to participate in a PTC program, even if it's supposedly for purchasing an account, membership plan or product purchase. Why would a company require you to pay a membership fee or to buy a product, for the "opportunity" to click on ads?
- **No revenue from genuine products or services.** Ask to see documents, such as financial statements audited by a certified public accountant (CPA), showing that the

PTC program generates real revenue from selling products or services. If the PTC program has no revenue from customers other than its own members, any returns you receive are likely from other investors' buy-in fees.

- **Virtual address.** Verify that the business address listed for the online based advertisement companies is legitimate. For example, enter the address into an online search engine and be skeptical if the results suggest it is not a valid address. You can also visit the principal office of these online based advertisement companies and verify if they have legitimate operations at the location.
- **Withdrawal problems.** If you have trouble withdrawing your money or are required to reinvest your profits, it may be because there is not enough money coming in from new investors to cover earlier investors' withdrawal requests.

Should you have any information regarding the operation of the suspicious entities, please call the Enforcement and Investor Protection Department at telephone numbers 818-6047 or 818-6337.