



March 18, 2014

VIA EMAIL

Nicole Fisher, Esq.
Agora Publishing, Inc.
14 W. Mt. Vernon Place
Baltimore, MD 21201

Re: Deceptive Advertising by Stansberry & Associates Investment Research, LLC

Dear Ms. Fisher:

I write in response to the e-mail you sent me yesterday afternoon regarding our March 11, 2014 letter to Mr. Stansberry.

For starters, we agree that, for better or worse, the Investment Adviser's Act of 1940 and its accompanying regulations do not apply to Stansberry & Associates because the company publishes newsletters and, therefore, fits within an exception to the Act. Stansberry & Associates is, however, bound by a 2007 federal Court Order, which prohibits the company from making any misleading or untrue statements of material facts, as well as federal and state statutes and regulations. Such authority includes, but is not limited to:

- Federal Trade Commission (FTC) Act, specifically 15 U.S.C. § 45;
- FTC Guides Concerning the Use of Endorsements and Testimonials in Advertising, specifically 16 CFR §§ 255.1 and 255.2;
- FTC Guide Concerning the Use of the Word "Free" and Similar Representations, specifically 16 CFR §§ 251.1(b) and (c);
- Maryland's Consumer Protection Act, specifically Md Commercial Law Code § 13-303; and
- Maryland's Trade Regulation, specifically Md Commercial Law Code §11-703.

In addition to these laws, certain FTC decisions and consent orders are directly applicable to Stansberry & Associates. Such decisions and orders include, but are not limited to:

- *In the Matter of Indigo Investment Systems, Inc. and Frank Alphonso*, FTC Decision and Order, available at <http://www.ftc.gov/sites/default/files/documents/cases/2001/03/indigodo.pdf>, specifically Section III;
- *Federal Trade Commission v. Green Millionaire, LLC, et al.*, Order for Permanent Injunction, Docket No. 12-cv-01102 (D. Md. Apr. 27, 2012), available at <http://www.ftc.gov/sites/default/files/documents/cases/2012/04/120427greenmillionaireorder.pdf>, specifically Sections V and VI;
- *In the Matter of Ganley Ford West*, Agreement Containing Consent Order, available at <http://www.ftc.gov/sites/default/files/documents/cases/2013/09/130903ganleyfordorder.pdf>, specifically Section I; and
- *In the Matter of Timonium Chrysler, Inc., d/b/a Don White's Timonium Chrysler Jeep Dodge*, Agreement Containing Consent Order, available at <http://www.ftc.gov/sites/default/files/documents/cases/2013/09/130903donwhitetimoniumorder.pdf>, specifically Section I.

With respect to the factual recitations in your letter, we respectfully disagree and believe that your letter does not accurately address the many concerns raised by TINA.org. For example, you state that much of Stansberry & Associates' marketing materials address the inherent risks of investing. Though we have seen minimal references to such risks on the company's website, we have not been able to find a clear and conspicuous disclosure that there are substantial risks involved in investing money, much less a disclosure in close proximity to the testimonials. If you would like to point us to such a disclosure, we would be more than happy to review it.

In short, I am pleased to hear that Stansberry & Associates will be making "some changes" to its marketing. However, as stated in my March 11, 2014 letter to Mr. Stansberry and during my telephone conversation with Mark Arnold on March 17, 2014, we do intend to notify the FTC, the Maryland Attorney General, and the SEC that Stansberry & Associates is marketing its newsletters through the use of deceptive testimonials, unless all of the actions we requested in our March 11th letter are completed by today. I understand that the individual review of hundreds of testimonials may be a lengthy process but, as I explained to Mr. Arnold and as he acknowledged, the most efficient way to halt the deceptive marketing and protect consumers from any ongoing deception would be to temporarily take down, or inactive, the webpages that contain the testimonials at issue while the company reviews and corrects or removes each one. I provided a list of the testimonials and webpages at issue to Mr. Arnold yesterday upon his request, which I also attach here for your reference.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "L. Smith". The signature is written in a cursive style with a large initial "L" and a period after "Smith".

Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.