



June 5, 2017

VIA EMAIL AND OVERNIGHT MAIL

Susan Pravda
Michael Tuteur
Foley & Lardner LLP
111 Huntington Avenue
Boston, MA 02199



Re: DealDash Inc.'s Deceptive Advertising Practices and Illegal Gambling Venture

Dear Ms. Pravda and Mr. Tuteur:

Thank you for your response to our May 25, 2017 letter to Mr. Lohi regarding DealDash's deceptive marketing and illegal business practices.

In our letter we raised six issues, three of which appear to have been ignored in your response. Specifically, you failed to address the following DealDash issues:

- advertising savings on purchased auctioned items without adequately disclosing the true out-of-pocket cost for obtaining the products.
- using consumer testimonials touting atypical savings on product purchases without clearly and conspicuously disclosing that DealDash customers typically lose money on the auction site.
- promoting a perpetual sale on the purchase of bid packs.

As for the other three issues we raised, and which you touched upon, let me address each in turn. First, as for DealDash's 100% money back guarantee refund policy, TINA.org's issue is not with the policy itself or how it might compare to other sites. Rather, the issue is that DealDash fails to inform consumers of the material terms of the policy in its advertising and marketing materials, which, like the other three issues that were not addressed, is a violation of FTC law that should be remedied immediately. Second, as I'm sure you are aware, being both the attorneys for DealDash and Galton Voysey, the material connection between the companies lies with William Wolfram, who is the founder of both companies and an investor. Consumers have a right to know about this material connection. Third, DealDash is nothing like a "traditional" auction. In traditional

auctions, consumers do not pay to place bids. Further, DealDash auctions are not won by the highest bidder as in a traditional auction because a consumer using DealDash is only permitted to raise their bid by a cent and not permitted to place a bid that accurately reflects their highest bid. Consequently, it is the last consumer to place a penny bid when the timer hits zero that wins a DealDash auction. These elements, coupled with the fact that chance predominates over skill, makes DealDash a form of illegal gambling.

Finally, your letter states that DealDash provides a valuable service to “customers interested in acquiring such high-quality products at below-retail prices through the entertaining experience of an online auction,” That simply is not true. As DealDash has explained,

By registering and using DealDash you understand that you are likely to spend more money than you may receive in merchandise value. Most customers using the site gain less in merchandise value measured in monetary value compared to the amount of money spent bidding to win auctions. . . . DealDash is convinced that the entertainment value of participating in its auctions is valued and that paying a premium price for this entertainment value compared to shopping at the lowest priced retailer is fair. . . . Most customers will not win auctions and you are on average unlikely to save money using the Site.

There are more than 600 FTC complaints to support the fact that DealDash is no bargain for consumers.

While we do appreciate you contacting us and providing your explanation of how the company operates, DealDash has made no meaningful effort, or given any indication that it intends to rectify a single issue we raised in our May 25 letter.

As a consumer advocacy group devoted to protecting consumers from false advertising and deceptive marketing, we have an obligation to consumers – who continue to be deceived by DealDash’s deceptive advertising and illegal business practices on a daily basis – to bring such issues to their attention, as well as the attention of regulators.

Accordingly, we are going forward with our complaint letters to regulators. We will copy you on the letters. If you wish to discuss this matter further, please feel free to call me at (203) 421-6210.

Sincerely,



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