



FOR IMMEDIATE RELEASE

Investor Warning from North Carolina and Alabama – Auto Surf "May be a new Ponzi Scheme"

(March 8, 2006) Elaine F. Marshall, Secretary of State of North Carolina and Joseph P. Borg, Director of the Alabama Securities Commission <u>warn citizens of Alabama and North Carolina</u> to beware of a new investor opportunity which resembles a traditional Ponzi scheme and involves website advertising.

For the protection of citizens, the North Carolina Secretary of State's Office issued a Cease and Desist Order (C&D) on February 23, 2006 against a company referred to as LifeClicks, L.L.C (LifeClicks) and against an agent for LifeClicks named Charis Johnson, who resides in Charlotte, NC.

LifeClicks was responsible for posting an internet program entitled "12 Daily Pro" (12DP) that could be accessed by the general public at <u>www.12dailypro.com</u>. As early as April 18, 2005, LifeClick's 12DP Internet site offered residents of North Carolina and other states the opportunity to engage in the business of "autosurfing," a new type of online advertising program which automatically rotates advertised web sites within the electronic web browser of an accessing Internet user. Revenue was allegedly generated by the chosen advertisers paying the host of the "autosurfing" site which, in turn, pays a percentage commission or hourly rate to "autosurfing" participants for viewing the advertiser's information.

Apparently the LifeClicks' 12DP site solicits accessing Internet users to become "members" of the 12DP "autosurfing" program. Accessing users may become members of the 12DP program without charge; however, funds can't be earned by a "nonpaying member" even though a "nonpaying member" may perform the function of "autosurfing." In order to receive funds a "member" must establish an account and activate a "membership" by purchasing, within seven days, "upgrade units" which are characterized by 12DP as nonrefundable membership fees. "Upgrade units" range in value from \$6.00 for one unit to \$6,000.00 for one thousand units, with each unit being "active" for a period of twelve (12) days.

The financial rewards promised to 12DP members are extraordinarily high. For instance, members who purchased 1,000 active upgrade units for \$6,000 were told they could earn \$720.00 per day for a twelve day total of \$8,640.00. This would leave a profit of \$2,640.00, after deduction of the nonrefundable unit cost of \$6,000.00, representing an alleged return on the principal of 44%.

Investigation indicates that LifeClicks agents and the 12DP investment offerings were not registered with the Securities Division of the Department of the Secretary of State under the provisions of the North Carolina Securities Act nor registered with the Alabama Securities Commission.

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Elaine F. Marshall, Secretary of State of North Carolina, said "Let's go back to the basics of protecting yourself <u>before you invest</u>. Contact the North Carolina Secretary of State's Security Division to check out any person offering an investment opportunity and the product offered to see if they are properly registered. Secondly, don't invest in an offering you don't understand or feel comfortable with!"

Joseph Borg, Director of the Alabama Securities Commission said, "Presently, based on complaints, we are investigating this Ponzi type of scheme in cooperation with North Carolina, other states, and federal regulators. The Commission has determined it is necessary for the protection of Alabamians to disseminate this information to the public, because internet investment opportunities have no boundaries. **This Commission asks any citizen of Alabama, who has been approached by LifeClicks or offered to invest in a 12DP program call 1-800-222-1253 and ask to speak to an Enforcement Investigator.** Your information can help protect Alabamians and assist the Commission in its investigation."

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For more information contact:

<u>Alabama Citizens</u>: Dan Lord, Education and Public Affairs, Alabama Securities Commission, Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240 Email: asc@asc.alabama.gov Website: www.asc.state.al.us

North Carolina Citizens: North Carolina Division of Securities, telephone: (919) 733-3924 or toll-free in NC at 1-800-688-4507, and on the Internet at www.sosnc.com