

MONEY MYTHS SERIES

ODTE Options, Trading Signals and "Trade for a Living" Courses: What the Data Shows

Forex and options signal groups, ODTE trades and trade-for-a-living courses, checked against research and FTC, CFTC and FINRA actions. Who gets paid, and how.

By Eric Ridley, attorney, Ridley Law · Updated September 2026 · Read online with live links: ridleylawoffices.com/0dte-options/

Part of our [money myths series](#), where we look at the money advice that spreads on Instagram, TikTok and YouTube and ask who gets paid when you follow it.

The pitch: "Join my signal group. I call the forex and ODTE options trades, you copy them, and you'll be trading for a living in six months. Course is \$997."

The verdict: The best data on people who tried says it almost never works. Of Brazilians who day traded futures for more than 300 days, 97% lost money and 1.1% earned more than minimum wage (Chague, De-Losso and Giovannetti, 2019). The steady income in this business goes to the people selling the course, the signals and the order flow.

97%

of persistent Brazilian day traders lost money (2019 study)

Under 1%

of Taiwan's day traders reliably beat the market (Barber and coauthors)

\$2.1 billion

U.S. retail options traders' losses, Nov. 2019 to June 2021 (Journal of Finance)

59%

of S&P 500 index option volume was ODTE in 2025 (Cboe)

\$370 million

one "trading academy" collected in six years, per the FTC

June 4, 2026

FINRA's \$25,000 pattern day trader minimum ended (FINRA)

Who gets paid when you follow this advice

- **The course seller.** The FTC alleged Online Trading Academy, a California company, charged up to \$50,000 for training and collected more than \$370 million in six years, while its own surveys showed most buyers made little or no money. It settled in 2020.
- **The signal subscription.** Raging Bull sold memberships to stock and options "gurus." It paid \$2.425 million to settle FTC charges in 2022, and the FTC said it didn't even track its customers' results.
- **Brokers and market makers.** Researchers found retail options traders paid about \$6.4 billion in trading costs from November 2019 to June 2021, and brokers took in \$2.4 billion in payment for order flow from options in 2021, nearly 90% from three firms.
- **The influencer who trades ahead of you.** Prosecutors allege a group of Twitter and Discord "traders" made \$114 million pumping stocks to followers (pending case).

In Brazil, researchers found brokers waived day-trading fees to lure new investors into their courses and platforms.

Who gets paid when you join a trading signal group?

The seller of the group, course or software, whether or not you profit; the CFTC warns that signal sellers on social media often have hidden costs and don't perform as promised.

The CFTC's advisory on social-media trading schemes lists the usual products: trade signals, automated trading software, trading platforms and training, often for forex. It says signals are supposed to tell you when to buy or sell but often come with hidden costs or don't perform as promised. The seller is paid at checkout. Your results come later, if at all.

Some sellers never trade at all. In CFTC v. FuturesFX the agency alleged the principal ran a "live trading room" where, in fact, he "never actually traded and only made hypothetical or simulated trades." The consent order required \$1.3 million in restitution and a \$450,000 penalty.

The SEC's December 2025 alert on group chats describes a newer version. Fake "professors" and their assistants post trade recommendations they claim come from AI, in chat groups the victims were invited to. The SEC's advice: never rely solely on information from group chats.

Can you really day trade for a living?

Almost no one does: among Brazilian day traders who kept at it more than 300 days, 97% lost money, and only 17 people out of 1,551 earned more than Brazil's minimum wage (2019 study).

The Brazilian study is the cleanest test available because it covers everyone. Fernando Chague, Rodrigo De-Losso and Bruno Giovannetti followed all 19,646 people who started day trading Mini-Ibovespa index futures from 2013 to 2015. Only 1,551 kept going more than 300 days. Their average result was a loss of US\$48.81 a day, and the authors found no evidence they got better with practice. Their conclusion: it's virtually impossible for an individual to day trade for a living, contrary to what course providers claim.



Source: Chague, De-Losso and Giovannetti, "Day Trading for a Living?" (University of Sao Paulo working paper, 2019). The paper reports 97% lost money; the count of about 1,504 is 1,551 minus the 47 who profited. The paper's abstract rounds the bank-teller share to 0.4%; its results section counts eight people (0.5%).

Group	People	Share of the 1,551 who persisted
Started day trading	19,646	
Persisted more than 300 days	1,551	100%
Lost money	about 1,504	97%
Made a profit after fees	47	3.0%
Earned more than Brazil's minimum wage (US\$16 a day)	17	1.1%
Earned more than a bank teller's starting salary (US\$54 a day)	8	0.5%

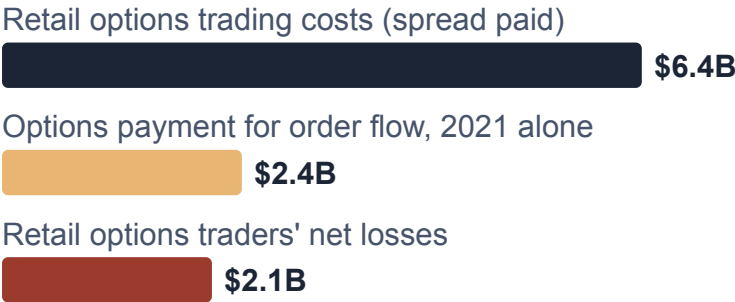
Taiwan's data, studied over many years by Brad Barber, Terrance Odean and coauthors, says the same. In a typical year about 13% of day traders earn a profit after fees, so 87% lose. Fewer than 1% of day traders, about 1,000 out of 360,000, are able to beat the market consistently. More than 75% quit within two years.

Are 0DTE options a good way to make money?

For most retail buyers, no: a zero-days-to-expiration option can expire worthless the same day, and FINRA warns you could lose the entire premium in one day.

0DTE options are now a huge market. Cboe reported that 0DTE options made up 59% of S&P 500 index option volume for all of 2025, and estimated retail traders make up about 53% of that volume. FINRA found retail opening positions in 0DTE contracts rose about 75% from January 2022 to January 2023.

Svetlana Bryzgalova, Anna Pavlova and Taisiya Sikorskaya, in the Journal of Finance, estimated U.S. retail options traders lost \$2.1 billion from November 2019 to June 2021, and paid \$6.4 billion in trading costs in the process. Retail traders prefer cheap weekly options, which carried average bid-ask spreads of 12.6%. Bloomberg reported in 2023 on a University of Muenster study estimating that retail 0DTE traders may have lost about \$358,000 a day since May 2022.



Source: Bryzgalova, Pavlova and Sikorskaya, "Retail Trading in Options and the Rise of the Big Three Wholesalers," Journal of Finance (2023).

Measure	Amount	Period
Trading costs paid by retail options traders	\$6.4 billion	Nov. 2019 to June 2021
Net losses of retail options traders	\$2.1 billion	Nov. 2019 to June 2021
Payment for order flow from options (to brokers)	\$2.4 billion	2021
Share of options PFOF from three wholesalers	nearly 90%	2021

What happened to the "trade for a living" educators the FTC sued?

They paid settlements or got banned, and some customers got small refunds; the FTC's case against Online Trading Academy ended in a \$362 million judgment, mostly suspended, with the founder paying \$8.3 million (2020).

- **Online Trading Academy (California).** The FTC alleged courses of up to \$50,000 and more than \$370 million collected, and that the company's own surveys and trading data showed most purchasers made little or no money. The 2020 settlement included a \$362 million judgment, partially suspended, an \$8.3 million payment from the founder and debt forgiveness for customers. The FTC later announced it was returning more than \$5.4 million to consumers.
- **Raging Bull.** The FTC alleged its "gurus" told consumers they could double or triple their accounts, while the company didn't track customer results. The company and its owners agreed to pay \$2.425 million in 2022, and the FTC sent 9,862 PayPal refunds. A separate case against one guru, Kyle Dennis, ended with a permanent

injunction but no money for victims, because the Supreme Court's 2021 AMG decision limited the FTC's ability to get refunds in court.

- **The Atlas Trading influencers.** Prosecutors allege eight social media traders made \$114 million by pumping stocks to their followers. A district court dismissed the indictment, and the Fifth Circuit reversed in October 2025. The case is pending, and the charges are allegations. Our [copy trading](#) page has the details.

Does the FTC have an earnings-claims rule for trading courses?

Not a final one: the FTC released a proposed earnings-claims rule in January 2025 but never published it in the Federal Register, and the rule was still at the pre-rule stage as of the 2025 regulatory agenda.

What the FTC has is a 2021 Notice of Penalty Offenses on money-making opportunities, sent to more than 1,100 businesses. It names investment "coaches" promising secrets to beat the odds, and it says misrepresenting that participants are likely to profit is an unfair or deceptive practice. A company that received the notice and does it anyway can face civil penalties, up to \$43,792 per violation when the notice went out. The existing Business Opportunity Rule mostly doesn't reach trading courses, because it excludes general advice about business development and training. The January 2025 proposal would have extended it to coaching and investment opportunities.

Did the pattern day trader rule change?

Yes: FINRA eliminated the "pattern day trader" designation and its \$25,000 minimum, effective June 4, 2026, with brokers allowed to phase in the change until October 20, 2027 (FINRA Regulatory Notice 26-10).

The SEC approved the change on April 14, 2026, and FINRA replaced the old rule with intraday margin standards. Expect to see this in the pitch: "The \$25K rule is gone, now anyone can day trade." Removing a barrier doesn't change the odds in the Brazil and Taiwan data. And the SEC notes your broker may keep using the old requirements during the transition.

When is trading education legitimately fine?

When you're paying to learn how markets work, the seller makes no income promises, and you trade only money you can afford to lose.

Learning about options can make you a better investor, and FINRA and the SEC publish free investor education. Some people enjoy trading the way others enjoy poker. The Taiwan data shows a small, real group of skilled traders. Treat it as a hobby with a budget, and write down every result. If a course sells you a lifestyle, it's selling the wrong thing.

Signal group or trading course vs. a boring plan

	Signals, courses, ODTE day trading	Diversified, low-cost investing
Who's paid first	Course and signal sellers, brokers, market makers	Fund company, through a small disclosed fee
Evidence of results	97% of persistent Brazilian day traders lost money; under 1% of Taiwan's beat the market	Market return minus fees
Trading costs	Retail options spreads averaged 12.6% on weekly options (Journal of Finance)	Low
Time required	Hours a day	A few hours a year
Legal protection	Unregistered sellers; FTC earnings rule not final	Registered funds and advisers

What should you do instead?

- 1 Ask for audited results of the seller's customers**
Raging Bull didn't track them, and Online Trading Academy's own surveys showed most buyers made little or no money. A seller who can't show customer results has none worth showing.
- 2 Check registration**
Look up the person and firm on Investor.gov and with the CFTC and NFA before you pay for anything.
- 3 Cap the money you trade**
Pick an amount you'd spend on a hobby and stop when it's gone. Never trade retirement savings, a trust account or an account you manage for a parent.
- 4 Put the rest on autopilot**
Max out your [401\(k\) match](#) and buy diversified funds before you buy a course.
- 5 Make sure your family can find your accounts**
Brokerage accounts need beneficiaries or a trust. See our [beneficiary designation audit](#).

Frequently asked questions

Are trading signal groups legal?

Selling signals isn't automatically illegal, but lying about results is, and the CFTC and FTC have sued sellers over fake trading rooms and earnings claims.

What percentage of day traders make money?

In Taiwan, about 13% in a typical year and fewer than 1% reliably. In Brazil, 3% of those who kept going more than 300 days made any profit after fees.

Are 0DTE options gambling?

Regulators don't use that word, but FINRA warns a 0DTE option can lose the entire premium in a single day, and retail buyers as a group have lost money in the research so far.

Is the \$25,000 day trading rule gone?

Yes. FINRA eliminated the pattern day trader minimum effective June 4, 2026, though brokers may phase in the new margin rules until October 20, 2027.

Can I get a refund from a trading course?

Sometimes. FTC settlements with Raging Bull and Online Trading Academy produced refunds, but they were small relative to what customers paid. Report deceptive earnings claims to the FTC and your state attorney general.

Are prop firm "funded trader" programs a better route?

They have their own problems. See our page on [prop firm challenges](#).

This page is general information about the law and published research and enforcement actions. It isn't legal, tax or investment advice for your situation. Allegations in pending cases are allegations, not findings.

More in the [money myths](#) series: [prop firm challenges](#), [copy trading](#) and [covered call ETFs](#). For planning: [IRAs](#), [401\(k\)s](#) and [beneficiary assets](#).

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Questions about your own plan?

Ridley Law helps California families with trusts, wills, trust administration and probate from Port Hueneme, serving Ventura, Santa Barbara and Los Angeles counties. The first call is free and runs 30 minutes.

ridleylawoffices.com · (805) 244-5291

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