



UNITED STATES OF AMERICA  
Federal Trade Commission  
WASHINGTON, D.C. 20580

April 24, 2020  
*Via Electronic Mail*

Rodan & Fields, LLC  
c/o Jennifer Chaloeontiarana, Chief Legal Officer  
60 Spear Street, Suite 600  
San Francisco, California 94105

**Warning Regarding Earnings Claims Related to Coronavirus  
Disease 2019 (COVID-19)**

Dear Ms. Chaloeontiarana,

FTC staff has reviewed social media posts made by Rodan & Fields, LLC (“Rodan + Fields”) business opportunity participants or representatives that unlawfully misrepresent that consumers who become Rodan + Fields business opportunity participants are likely to earn substantial income. This letter is to provide you with information about laws and regulations enforced by the Federal Trade Commission (“FTC”) that may bear upon your business activities, including the activities of your business opportunity participants and representatives.

Some examples of earnings claims made by your business opportunity participants or representatives include:

- “RODAN and FIELDS is always open for business even during quarantine! I’ve been working from home for over 3 years now and still making money when other people aren’t ! Isn’t it about time you found out what it is I do and how this company really works ? . . . #workfromhome #financialfreedom.”
- “We all need something to fall back on when our Plan A crumbles. For many, many people right now, the Plan A is no longer providing. Given that we are all at home trying to manage this new normal ... Let’s chat and get all your questions answered and start getting that Plan B up and running ... bringing in that EXTRA INCOME! . . . #extraincome . . . #financialfreedom.” The text accompanied an image with the text “no risk,” “no experience needed,” and “can be profitable immediately.”
- “During an uncertain time like this, one thing I am grateful for is residual income from my home based business. If you’re struggling, and could use an extra few hundred dollars a month, why not give this a try.... #residualincome.” The image accompanying the post states, “I have spots available on my team!!! If you want to make an extra \$200, \$500, or \$1,000 a month, message me!”

Representations about a business opportunity, including earnings claims, violate Section 5 of the FTC Act, 15 U.S.C. § 41 *et seq.*, if they are false, misleading, or unsubstantiated and

material to consumers. Express and implied earnings claims must be truthful and non-misleading to avoid being deceptive, which means that claims about the potential to achieve a wealthy lifestyle, career-level income, or significant income are false or misleading if business opportunity participants generally do not achieve such results. Even truthful testimonials from participants who do earn significant income or more will likely be misleading unless the advertising also makes clear the amount earned or lost by most participants. Your business opportunity participants and representatives must immediately cease making all express and implied earnings claims that would be false or misleading to current or prospective participants.

You are responsible for the claims of your business opportunity participants and representatives. As the FTC stated in the January 2019 [Business Guidance Concerning Multi-Level Marketing](#), the compensation structure of a Multi-Level Marketing entity (“MLM”) may create incentives for its participants to make certain representations to current or prospective participants. “As a consequence, an MLM should (i) direct its participants not to make false, misleading, or unsubstantiated representations and (ii) monitor its participants so they don’t make false, misleading, or unsubstantiated representations.”

You are advised to review all claims relating to your business opportunity and immediately cease, and require your business opportunity participants and representatives to cease, making claims that are not supported by the evidence or substantiation described above.

Within 48 hours, please send reply via email to [COVID-19-Task-Force@ftc.gov](mailto:COVID-19-Task-Force@ftc.gov) describing the specific actions you have taken to address the FTC’s concerns. If you have any questions regarding compliance with the FTC Act, please contact us at [COVID-19-Task-Force@ftc.gov](mailto:COVID-19-Task-Force@ftc.gov).

Sincerely,

Federal Trade Commission Staff