

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

April 24, 2020 Via Electronic Mail

IDLife, LLC c/o Mark Bennett, COO, General Counsel 10825 John W. Elliot Dr. #100 Frisco, Texas 75033

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

Dear Mr. Bennett,

FTC staff has reviewed social media posts made by IDLife, LLC ("IDLife") business opportunity participants or representatives that unlawfully misrepresent that consumers who become IDLife 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:

- "Stimulus check=\$1200 I used to think thats alot of money but now I know ways that amount can be made rather quickly." Statement made on the social media page of person who lists their work as "IDLife Corporate National Presidential Director."
- In a video titled "What did [] & [] do when she lost her job in May and how could this help you now with what is going on?", the statements: "I love going to bed at night and waking up in the morning to see I've earned more income when I was sleeping than when I was awake...." [nine minutes later] "Is it gonna help you rebuild that savings . . . that three month, six month savings that you're depleting right now?"

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 <u>Business Guidance Concerning Multi-Level Marketing</u>, 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 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.

Sincerely,

Federal Trade Commission Staff