



A MARKETER'S **GUIDE TO AN FTC** DEMAND LETTER

A Thorough Example of The
Types of Things The FTC Asks For
When They Investigate You...

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The Last Thing You Want In Your Mailbox...

The **Civil Investigative Demand (CID)** from the FTC lets you know that you're under investigation. That means your business and life is about to be turned upside down, and that millions of dollars might be leaving your bank account.

By the time you receive a CID, the FTC has probably been looking at your company for months or even years. That means they'll have a long list of requests.

We received our CID in May of 2022. The CID was 31 pages. They wanted a lot, and they wanted it FAST. They gave us just 2 weeks to get everything together (luckily they agreed to an extension).

Here's a summary of what they requested.

Part 1: Information

1. **Receipt and Response to FTC Notices:** We were asked to confirm when we had received specific notices from the FTC regarding money-making opportunities and endorsements. We needed to detail any actions we had taken in response to these notices to avoid false, misleading, or deceptive claims about money-making opportunities and endorsements or testimonials.
2. **Company Identification:** We were required to provide our place of incorporation, full legal name, and any other names we had used for business. They also wanted our company addresses and contact information.
3. **Corporate Relationships:** We were asked to identify all our subsidiaries, parent companies, divisions, joint ventures, partnerships, affiliates, and predecessors. A detailed description of each entity's relationship to our company was also requested. They basically wanted to understand our corporate network.
4. **Ownership and Management Details:** Information about our principals, owners, members, or stockholders with significant ownership, as well as our officers, directors, and managers, was requested. They wanted a lot of detail for each person, including their tenure, compensation, and any changes over time.

5. **Relationships with Specific Individuals and Organizations:** We were asked to describe our relationship with several specific individuals and organizations. These were obviously key relationships that they were focusing on.
6. **Product and Service Details:** We were required to provide a thorough description of each product or service we offered, including aspects like development, testing, consumer reach, and pricing. We had published hundreds of products, so this was a huge amount of information.
7. **Information About Our Ads:** We needed to detail every means of online advertising we had used, including ad placements and social media advertisements. They even wanted details of key metrics and revenue generated from each advertisement. Our ad spend exceeded \$200,000/month, so they were asking us to give them a lot of information here!
8. **Earnings Claims Substantiation:** We were asked to identify each person or entity responsible for developing, reviewing, or evaluating substantiation for any earnings claims made in our advertisements.
9. **Webinar, Video, and Seminar Marketing Details:** For each online webinar, video, or seminar marketing a Lurn Program, we had to provide detailed information, including the identities of people who attended the presentations (even if they didn't buy).
10. **Consumer Reviews and Testimonials:** We had to identify each consumer who provided us with a review, testimonial, or endorsement, detailing our relationship with them and the nature of their feedback. They also wanted to know how we substantiated each testimonial.
11. **Monitoring of Consumer Outcomes:** We were required to list and describe the steps we had taken, if any, to monitor the results, earnings, and performance of consumers who purchased our programs.
12. **Substantiation of Earnings Claims and Experience Requirements:** Detailed substantiation for any claims about the amount of experience required to make money through our programs was demanded.

13. **Substantiation of Claims About Lurn:** We needed to provide substantiation for various representations made about our company, including earnings, teaching motivations, and success rates. These included items like “Businessweek rated Anik Signal as a top entrepreneur under 25” and “Lurn earns 20 to 25 million a year in revenue.”
14. **Substantiation For Promotion Quotes:** They pulled quotes from webinars for 4 specific products and asked us to provide substantiation. Some of these presentations were created years before the CID.
15. **Details About Our Team Members:** We were asked to identify every one of our coaches. They wanted to know the details of their compensation and the businesses that they ran. They also wanted information about any Lurn marketing team members who had been disciplined or let go.
16. **Customer Information:** They wanted us to identify and provide contact information for all of our customers, along with the results that every customer got from our programs.

Part 2: Documents

17. **FTC Communications:** We had to provide all communications related to the Federal Trade Commission, focusing on their October 2021 Notice Of Penalty Offenses Concerning Money-Making Opportunities. This included a broad range of correspondences highlighting our interactions with the FTC.
18. **Organizational Structure:** We were asked for copies of our organizational charts and personnel directories. They wanted to better understand the structure and hierarchy within our company.
19. **Compensation Details:** Documents showing the compensation of our company’s officers, directors, employees, and Lurn Instructors were requested. This included salaries, bonuses, and other forms of remuneration.
20. **Lurn Program Copies:** We had to supply copies of every Lurn Program, encompassing online videos, handouts, and books, whether conducted in-person or online. This detailed the educational content and methods we used.

21. **Advertisement Copies:** We were required to submit all advertisements for our goods or services. This encompassed a range of media, including internet ads and mobile networks, to illustrate our marketing reach.
22. **Marketing Plans:** We had to provide all marketing or advertising plans for our products and services. This included detailed strategies, themes, media plans, and related research or studies.
23. **Brand Strategy Documents:** Documents relating to our brand strategy and architecture were requested. These materials detailed how our products and services were positioned and differentiated in the market.
24. **Communications on Various Topics:** We had to provide communications regarding our advertising and marketing strategies, earnings claims, and more. They wanted to see how we communicated these aspects both internally and externally.
25. **Third-Party Communications:** This included communications with government agencies, Trust Pilot, Better Business Bureau, and others. It showed our interactions with external entities concerning our business practices.
26. **Company Policies and Procedures:** We were asked for documents detailing our policies on various operational aspects. This included our approach to earnings claims, testimonials, program capacities, and customer disputes.
27. **Documents on Earning Claims:** We had to submit all documents relating to our earning claims. This encompassed studies, reports, and testimonials that substantiated these claims.
28. **Lurn Program Related Documents:** Documents for each Lurn Program were required, detailing terms, conditions, content, and results.
29. **Lurn Instructors Documentation:** Documents about the qualifications, experience, and compensation of Lurn Instructors were requested. This included any disciplinary actions taken against instructors.
30. **Documentation on Reviews and Testimonials:** We needed to present all documents related to individuals who provided reviews, testimonials, or endorsements. This helped to understand the authenticity and impact of these endorsements.

31. **Consumer Complaints, Refunds, and Chargebacks:** All documents concerning consumer complaints, refunds, and chargebacks related to Lurn Programs were essential. This illustrated our customer service practices and responses to issues.
32. **Negative Online Reviews Responses:** We had to provide documentation of our responses to negative online reviews. This included our communication with the reviewers and the context of these interactions.
33. **Profit Generation Assessments:** We were requested to submit documents assessing the profitability of Lurn Program purchasers. This included surveys, studies, and any related analyses.
34. **Consumer Surveys and Studies:** We had to provide all surveys or studies conducted on our consumers. This included the methodology, responses, and any summaries of these surveys.

As you can see, the FTC wanted information and documents about every part of our business.

It was a **MAJOR DISTRACTION** for my team, since just about every department had to spend time answering questions and gathering documents – many from years before.

I want to help you avoid having to go through this.

That's why I teamed up with an experienced attorney who focuses on the FTC to help give you the information you need to be compliant and stay off the FTC's radar.

Check out our free podcast *Don't Say That*, which is dedicated to keeping marketers up-to-date on all the rules, regulations and trends they need to protect themselves and their businesses.

Check Out The Free Podcast At DONTSAYTHAT.COM