

August 28, 2019

#### VIA EMAIL AND OVERNIGHT MAIL

Andrew Smith, Director, Bureau of Consumer Protection Mary Engle, Associate Director, Division of Advertising Practices Federal Trade Commission 600 Pennsylvania Ave. N.W. Washington, D.C. 20580

Re: Ryan ToysReview's deceptive native advertising

Dear Mr. Smith and Ms. Engle:

We write to file a complaint with the Federal Trade Commission against one of the most viewed YouTube channels of all time – Ryan ToysReview, which is a multimillion dollar company led by Shion and Kieu-Loan Guan, who are the parents of seven-year-old star kidfluencer Ryan. The channel deceptively promotes a multitude of products to millions of preschool-aged children in violation of FTC law.

#### What is Ryan ToysReview?

Ryan ToysReview's YouTube channel, self-described as "Toys Review for kids by a kid!," began in 2015 when the Guans' son Ryan was three years old. Today, the channel has more than 20 million subscribers, thousands of posted videos, and more than 30 billion views. While the majority of videos on the channel consist of Ryan playing with toys (either third-party toys or the Guans' own Ryan's World line of toys<sup>3</sup>), there are also videos of Ryan going on field trips and engaging in typical preschool activities, such as reciting the alphabet and singing nursery rhymes.

One source described the channel's content as "a mash-up of personal vlog and 'unboxing' video, a blend of innocent childhood antics and relentless, often overwhelming consumerism." Unfortunately, it is often difficult to discern the innocent (or sometimes not so innocent<sup>5</sup>) antics in Ryan ToysReview videos from the sponsored content. And for preschoolers, it is impossible to discern the difference.

Companies that have sponsored endorsements on the channel include, but are not limited to, Hardee's, <sup>6</sup> Colgate, <sup>7</sup> Chuck E. Cheese, <sup>8</sup> Moose Toys, <sup>9</sup> Zuru, <sup>10</sup> Nickelodeon, <sup>11</sup> Wonderful Halos, <sup>12</sup> Walmart, <sup>13</sup> Playmobil, <sup>14</sup> Wizards of the Coast, <sup>15</sup> Netflix, <sup>16</sup> MGA Entertainment, <sup>17</sup> Hasbro, <sup>18</sup> Of Dragons, Fairies & Wizards, <sup>19</sup> Toys Tots Pets and More (TTPM), <sup>20</sup> Mattel, <sup>21</sup> and WhatNotToys.com. <sup>22</sup>

#### Deceptive Marketing in Ryan ToysReview Videos

A June 2019 video titled "Ryan Pretend Play Pizza Delivery Cooking Playhouse!!!"<sup>23</sup> shows Ryan pretending to cook and serve toy pizza. Nine days later, "Ryan's Drive Thru Pretend Play with Hardee's New Star Pals Toys!!!,"<sup>25</sup> was posted, which similarly shows Ryan preparing and serving food. The two videos are strikingly similar – but one is sponsored and one (presumably) is not. There is no disclosure whatsoever that indicates, as Hardee's puts it, that it "is teaming up with kids' entertainment studio pocket.watch and Ryan's World® for a first-of-its-kind partnership as YouTube creators continue to transform the toy industry."<sup>26</sup>

"Ryan Pretend Play Pizza Delivery Cooking Playhouse!!!"



Dad: "I want some pepperoni and mushroom."

Ryan: "Ok, coming right up!"<sup>27</sup>

"Ryan's Drive Thru Pretend Play with Hardee's New Star Pals Toys!!!"



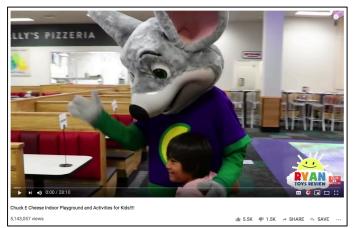
Dad: "Star Pals meals are back at Hardee's. Can I get one?"

Ryan: "One Star Pals is coming right up!" 28

Moreover, for the past two months Ryan ToysReview's channel has also featured an eight-plus minute ad for Hardee's restaurant Carl's Jr., which has garnered more than 4 million views and has the same look and feel as many of the other videos found on Ryan ToysReview's channel.<sup>29</sup>



Similarly, a January 18, 2019 video promotes Chuck E. Cheese with no disclosure of material connection, leading one to believe that the video simply contains organic, unsponsored content.<sup>30</sup> But a video posted on the channel three months earlier indicates that Ryan ToysReview does have a material connection to Chuck E. Cheese (though, as explained below, the disclosure is inadequate).<sup>31</sup>



January 2019 video posted with no disclosure of material connection



October 2018 video posted with a disclosure of material connection (Disclosure also made audibly at the beginning of the video)

Even when Ryan ToysReview does use disclosures, they are inadequate. By way of example, in a March 2019 ad for Teenage Mutant Ninja Turtles, a woman's voice quickly states "this is an ad for Nickelodeon" at the beginning of the lengthy video while the same statement is flashed on the top of the screen.<sup>32</sup>



The voiceover disclosure is not in Ryan's voice, is stated at the beginning of the video before Ryan's playing begins, is completed in less than two seconds, and is played immediately after a pre-roll advertisement, <sup>33</sup> making it highly unlikely that Ryan's preschool fans will notice the audible disclosure. As for the printed disclosure at the top of the screen, if Ryan's audience could (1) read, and (2) understand what the phrase "this is an ad for Nickelodeon" means, then such a disclosure might be sufficient. However, as explained in more detail below, given that Ryan ToysReview is targeted at a preschool audience, such audible and print disclosures are insufficient to notify young children that they are viewing a commercial. As such, this video, as well as others that bear similar disclosures (e.g., videos promoting Walmart, Playmobil, Moose Toys, and Hasbro), are deceptive. <sup>34</sup>

## **Prior CARU Action Has Not Eradicated the Deception**

In 2017, Ryan ToysReview was the subject of a Children's Advertising Review Unit (CARU) investigation, which found that sponsored content for Walmart and Mattel, among others, was not adequately disclosed. CARU concluded that children could reasonably believe that all the Ryan ToysReview videos, including sponsored ones, were independent and unbiased unless there was a clear disclosure indicating otherwise. As a result, CARU recommended that Ryan ToysReview include an audible disclosure at the beginning of each sponsored video, identifying the video as advertising.

Not only has Ryan ToysReview failed to consistently comply with CARU's recommendation as the above examples demonstrate, <sup>36</sup> but the recommendation itself was, unfortunately, flawed because it was not based on data regarding the channel's target audience's age or consumer perception. <sup>37</sup> Regarding the consumer perception of the target audience, CARU stated: "To determine what messages are conveyed to children in advertising CARU looks to consumer perception evidence. ...[I]n this case, no such evidence [was] supplied..."

Had CARU obtained data on the specific age of Ryan ToysReview's target audience, as well as the consumer perception of this demographic, it would undoubtedly have concluded that even an audible disclosure, such as the one highlighted above, <sup>39</sup> does not clarify the content for its target audience or eradicate the deception present in such videos.

#### Ryan ToysReview's Target Audience

The target audience for Ryan ToysReview videos is preschool children, i.e., children under the age of five. This fact is evident from a review of the videos on the YouTube channel. An appraisal of every video published on Ryan ToysReview between January 1 and July 31, 2019 reveals that 92 percent promote at least one product or television/YouTube program that is appropriate for – and targeted at – children under the age of five. 40

(TINA.org's database cataloguing all 211 Ryan ToysReview videos from January 1 to July 31, as well as accompanying data regarding the age targeted in the video, is available at <a href="https://www.truthinadvertising.org/ryan-toysreview-database/">https://www.truthinadvertising.org/ryan-toysreview-database/</a>).

Of the 211 videos published between January 1 and July 31 of this year, 184 of them – 87 percent – featured at least one product that is recommended for children under the age of five, according to age rating information printed on the product packaging or in product specifications online.<sup>41</sup>

By way of example, in a May 2019 video titled "Ryan Pretend Play Police Helps to find the real daddy!," Ryan is seen playing with a Little Tikes Cozy Coupe ride-on toy that is for "18 months -5 years."



"18 months – 5 years"

In a July 2019 video titled "Ryan Pretend Play with Ice Cream Shop and learn to count!!!," Ryan is seen playing with Counting Cones, which are appropriate for children as young as three. 45



"Recommended Age 3 yrs. – 6 yrs. / Preschool – 1st gr."

Another July 2019 video titled "Ryan Pretend Play Cooking toys Kitchen Play set as Red Titan!!!" features a KidKraft toy kitchen that is appropriate for three year olds. 47



In addition to the multitude of third-party toys promoted in Ryan ToysReview videos, the Guans routinely promote their own Ryan's World toy line, which is also typically geared towards preschoolers.<sup>48</sup>

Further, of the remaining 12 percent (27 videos) appraised, 11 of them promote either the Guans' new Nickelodeon show "Ryan's Mystery Playdate," which Nickelodeon categorizes as "a new preschool series," airs in the middle of the day (at 12:30 EST on Fridays) when school-aged children are not typically home, and is overseen by the network's Senior Vice President of Preschool Content; or the Guans' three-year-old twin daughters' new YouTube channel EK Doodles, which features "the cartoon animated adventures of Emma and Kate."

Thus, between products and programs promoted in Ryan ToysReview videos, 195 out of the 211 examined – 92 percent – include promotions geared toward children under the age of five.<sup>51</sup>

Given this overwhelming data, it is beyond dispute that *at least* a significant minority of Ryan ToysReview's intended audience consists of children under the age of five. <sup>52</sup>

# Organic Content, Sponsored Content - It's All the Same to Preschoolers

It is well established that children are a vulnerable consumer group. <sup>53</sup> And children under the age of five are a particularly vulnerable class. Competent and reliable research makes clear that children under the age of five are unable to identify television commercials and distinguish them from other forms of content." <sup>54</sup> At age five, the distinction between commercials and other content is only possible because of the perceptual cues that are present in television programs, such as verbal separators ("We'll be right back after this message") or because commercials are shorter. <sup>55</sup> Further, even at age five – when children begin to be able to at least identify traditional ads – the selling intent behind the ads is still not understood. <sup>56</sup> ("[R]esearchers in many studies have reported that until children are >7 years old, they do not have the ability to detect persuasive intent in advertising."

The perceptual cues present in television programming that allow five year olds to identify ads are completely lacking in YouTube videos that natively embed sponsored content within the program, such as Ryan ToysReview videos do.<sup>58</sup> Thus, it is not surprising that preschoolers do not realize that they are being marketed to in these online settings.<sup>59</sup>

Because [an] audience of ages five and under lacks the capacity to distinguish advertising from content in traditional television programming, it is inconceivable that they would be able to distinguish between sponsored and unsponsored videos on [YouTubeKids]. Even if sponsored videos in [YouTubeKids] were identified as advertising, its audience is too young to comprehend what that means. <sup>60</sup>

In other words, when a YouTube video directed to children under the age of five mixes advertising with program content, as Ryan ToysReview videos frequently do, the preschool audience is unable to understand or even identify the difference between marketing material and organic content, even when there is a verbal indicator that attempts to identify the marketing content.<sup>61</sup>

### Ryan ToysReview's Sponsored Content Violates FTC Law

Ryan ToysReview's sponsored content is presented in a manner that misleadingly blurs the distinction between advertising and organic content for its intended audience. According to the FTC, when such a blending of content occurs, any material connection between an endorser (e.g., Ryan ToysReview) and the seller of the advertised product (e.g., Hardee's, Chuck E. Cheese, Walmart, Nickelodeon, etc.) must be clearly and conspicuously disclosed in a manner that will be *easily understood by the intended audience*. In this case, the audience is unable to understand what advertising is and cannot even identify obvious commercials. As such, Ryan ToysReview's ads and sponsored content violate FTC law.

#### Conclusion

A preschooler's cognitive ability to identify and understand that they are being presented with marketing materials is generally lacking. It is a researched and documented fact that cannot readily be disputed. In fact, it is for precisely this reason that the Federal Communications Commission has a longstanding policy that prohibits product placements in television programs produced and broadcast to children 12 years old and under. Given these data, there can be no support for the proposition that a preschool YouTube channel, such as Ryan ToysReview, can present its target audience with native advertising videos and expect that any disclosure will clearly and conspicuously inform this young and vulnerable population that they are being lobbed a sales pitch. Such deceptive ad campaigns are rampant on Ryan ToysReview and are deceiving millions of young children on a daily basis. Accordingly, TINA.org urges the FTC to review the marketing on Ryan ToysReview's YouTube channel and take appropriate enforcement action.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Laura Smith, Esq. Legal Director

Truth in Advertising, Inc.

Bonnie Patten, Esq. Executive Director Truth in Advertising, Inc. Cc: Shion and Kieu-Loan Guan
Sunny S. Nassim, counsel for Remka Inc.
Kerry Olson, General Counsel, Hardee's Restaurants LLC
Rudy Rodriguez, General Counsel, C.E.C. Entertainment Inc.
Christa D'Alimonte, General Counsel, Viacom (Nickelodeon)

.

<sup>&</sup>lt;sup>1</sup> According to Forbes, the Guans (aka the Kajis) were the highest-paid YouTubers in 2018, earning \$22 million in the 12 months leading up to June 1, 2018. *See* How This 7-Year-Old Made \$22 Million Playing With Toys, Dec. 3, 2018, <a href="https://www.forbes.com/sites/maddieberg/2018/12/03/how-this-seven-year-old-made-22-million-playing-with-toys-2/#3a16c3e74459">https://www.forbes.com/sites/maddieberg/2018/12/03/how-this-seven-year-old-made-22-million-playing-with-toys-2/#3a16c3e74459</a>. Their names are associated with a few different companies, including, but not limited to, Remka, Inc., RTR Production, LLC, and RFR Entertainment, Inc.

<sup>&</sup>lt;sup>2</sup> Ryan ToysReview YouTube channel, About, <a href="https://www.youtube.com/channel/UChGJGhZ9SOOHvBB0Y4DOO\_w/about">https://www.youtube.com/channel/UChGJGhZ9SOOHvBB0Y4DOO\_w/about</a>. Ryan ToysReview is ranked as the most viewed YouTube channel of all time as of June 2019, according to Statista. <a href="https://www.statista.com/statistics/373753/most-viewed-youtubers-all-time/">https://www.statista.com/statistics/373753/most-viewed-youtubers-all-time/</a>.

<sup>&</sup>lt;sup>3</sup> The overwhelming success of Ryan ToysReview on YouTube led to the creation of a line of toys branded as Ryan's World, which was first released in August 2018. *See* Major Apparel and Toy Companies Jump on Board Pocket.Watch Media Brand, Feb. 13, 2018 Press Release, <a href="https://pocket.watch/press/press-release-february-13-2018">https://pocket.watch/press/press-release-february-13-2018</a>; Ryan ToysReview Launches Massive Ryan's World Toy Line-Up Exclusively at Walmart, July 30, 2018, <a href="https://www.i4u.com/2018/07/129218/ryan-toysreview-launches-massive-ryans-world-toy-line-exclusively-walmart">https://www.i4u.com/2018/07/129218/ryan-toysreview-launches-massive-ryans-world-toy-line-exclusively-walmart</a>.

<sup>&</sup>lt;sup>4</sup> YouTube's Biggest Star is a 5-Year-Old that Makes Millions Opening Toys: Blurring the line between playtime and business, The Verge, Dec. 22, 2016, <a href="https://www.theverge.com/2016/12/22/14031288/ryan-toys-review-biggest-youngest-youtube-star-millions">https://www.theverge.com/2016/12/22/14031288/ryan-toys-review-biggest-youngest-youtube-star-millions</a>. According to the Guans' Meet Ryan! book, Ryan ToysReview posts a mix of videos, including those that feature toys, as well as those showing Ryan singing nursery rhymes and doing science experiments. <a href="https://www.amazon.com/Meet-Ryan-pocket-watch/dp/1534440747">https://www.amazon.com/Meet-Ryan-pocket-watch/dp/1534440747</a>.

<sup>&</sup>lt;sup>5</sup> In addition to the marketing issues raised herein, certain Ryan ToysReview videos also raise serious safety concerns. For example, in a July 2019 video titled "4<sup>th</sup> of July Fireworks Family Fun Celebration with Ryan!!!!," Ryan is seen setting off fireworks with his father, while his toddler twin sisters are shown playing with unlit fireworks. *See* <a href="https://www.youtube.com/watch?v=ZTGiTXPT8Y4&amp=&t=5s">https://www.youtube.com/watch?v=ZTGiTXPT8Y4&amp=&t=5s</a>. Meanwhile, the U.S. Consumer Product Safety Commission cautions to "[n]ever allow young children to play with or ignite fireworks" in order to avoid serious injury. *See* U.S. Consumer Product Safety Commission Fireworks Information Center, <a href="https://www.cpsc.gov/Safety-Education/Safety-Education-Centers/Fireworks">https://www.cpsc.gov/Safety-Education/Safety-Education-Centers/Fireworks</a>.



Similarly, in a June 2019 video titled "Ryan 24 hours challenge overnight in the swimming pool," Ryan and his father challenge each other to see how long they can stay in their swimming pool. Ryan's father is shown staying in the pool overnight. *See* 

https://www.youtube.com/watch?v=Tob9YlirXHY. Unintentional drowning is a leading cause of death, with approximately 10 people dying from drowning each day, according to the Centers for Disease Control and Prevention. See CDC Unintentional Drowning: Get the Facts, https://www.cdc.gov/homeandrecreationalsafety/water-safety/waterinjuries-factsheet.html.



Further, several Ryan ToysReview videos promote fast food restaurants, including Hardee's. *See, e.g.*, <a href="https://www.youtube.com/watch?v=PkBy\_d-kC3Y&t=2s">https://www.youtube.com/watch?v=PkBy\_d-kC3Y&t=2s</a>. Unfortunately, eating this type of food can have serious negative effects on children's health. *See* More Kids are Eating Fast Food – and Not the Healthy Options, Univ. of Conn., Sept. 27, 2018, available at <a href="https://today.uconn.edu/2018/09/kids-eating-fast-food-not-healthy-options/#">https://today.uconn.edu/2018/09/kids-eating-fast-food-not-healthy-options/#</a> ("Most fast-food meals – even kids' meals – have more fat, sugar, and sodium than children need, and eating this kind of unhealthy food can have negative health consequences over time, such as obesity, diabetes, heart disease, and other health issues."); U.S. Kids Eating More Fast Food, Healthier Offerings Not Helping, CBS News, Sept. 27, 2018, available at <a href="https://www.cbsnews.com/news/kids-eating-more-fast-food-healthier-offerings-not-helping/">https://www.cbsnews.com/news/kids-eating-more-fast-food-healthier-offerings-not-helping/</a> ("[R]esearch has shown that eating highly processed foods like those served in fast food restaurants has been linked to a number of negative health issues, including obesity, type 2 diabetes, heart disease and early death.")

<sup>&</sup>lt;sup>6</sup> "Ryan's Drive Thru Pretend Play with Hardee's New Star Pals Toys!!!," https://www.youtube.com/watch?v=PkBy d-kC3Y&t=2s.

<sup>&</sup>lt;sup>7</sup> "Ryan Build his own Toothbrush at the Colgate Factory! New Ryan's World Dental Care Revealed," https://www.youtube.com/watch?v=msAJOafpyW8&t=246s.

<sup>&</sup>lt;sup>8</sup> "Chuck E Cheese's All You Can Play Challenge Family Entertainment and Games," https://www.youtube.com/watch?v=pP3Xr7dEVSU.

<sup>&</sup>lt;sup>9</sup> "Ryan and Heroes of Goo Jit Zu Saves the World!," <a href="https://www.youtube.com/watch?v=FpI0Tq4USBk">https://www.youtube.com/watch?v=FpI0Tq4USBk</a>; "Ryan Races His Parents with the Help of MiBro his Robot Friend!," <a href="https://www.youtube.com/watch?v=WMYibFmzBAc">https://www.youtube.com/watch?v=WMYibFmzBAc</a>.

<sup>&</sup>lt;sup>10</sup> "Pirate Ryan battles for the Bunch O Balloon Treasure chest!," https://www.youtube.com/watch?v=YuEc2EkcHys&t=11s.

<sup>&</sup>lt;sup>11</sup> "Ryan's Rise of the Teenage Mutant Ninja Turtles Pretend Play Adventure!," https://www.youtube.com/watch?v=Ukl8Ej9x-SU.

<sup>&</sup>lt;sup>12</sup> "Ryan Takes a Trip in an Airplane to the Wonderful Halos Mandarin Orchards in California!," https://www.youtube.com/watch?v=CuekX7x9lbg.

<sup>&</sup>lt;sup>13</sup> Giant Smash Surprise Challenge With Walmart's Holiday Top Toys!," <a href="https://www.youtube.com/watch?v=rDLftdD6Dkk">https://www.youtube.com/watch?v=rDLftdD6Dkk</a>; "Ryan Plays with Toys in the Walmart Toy Lab! Great Kid Presents for the Holidays!," <a href="https://www.youtube.com/watch?v=ovbPeX0X508">https://www.youtube.com/watch?v=ovbPeX0X508</a>; "Ryan Trains for the Nickelodeon Toy Run Family Style at Walmart! So Many Toys!," <a href="https://www.youtube.com/watch?v=nqPPhFZ">https://www.youtube.com/watch?v=nqPPhFZ</a> r2c.

<sup>&</sup>lt;sup>14</sup> "Ryan explores the SECRETS of the HIDDEN TEMPLE in a Pretend Play Challenge!," https://www.youtube.com/watch?v=bTHw64Ju-MI.

<sup>&</sup>lt;sup>15</sup> "TRANSFORMERS CARDS OPENING Booster Pack Reveal Transformers TCG Trading Cards with Ryan ToysReview," <a href="https://www.youtube.com/watch?v=ywPsDMpBvWk">https://www.youtube.com/watch?v=ywPsDMpBvWk</a>.

<sup>&</sup>lt;sup>16</sup> "Ryan Pretend Play Werewolf Fun Like Lobo from Netflix's Super Monsters!," https://www.youtube.com/watch?v=jRrQH4y0KTQ.

<sup>&</sup>lt;sup>17</sup> "Ryan's Pretend Play Battle With Kingdom Builders!!," https://www.youtube.com/watch?v=Olhjx-80iVM.

<sup>&</sup>lt;sup>18</sup> "Ryan Makes Play Doh Ice Cream Creations with the Ultimate Swirl Ice Cream Maker Play Food Set," <a href="https://www.youtube.com/watch?v=HpY8YX80rr0">https://www.youtube.com/watch?v=HpY8YX80rr0</a>; "Get Your Hair Done by Ryan! Play Doh Buzz 'n Cut Fuzzy Pumper Barber Shop Toy with Electric Buzzer," <a href="https://www.youtube.com/watch?v=386yjUopRVU">https://www.youtube.com/watch?v=386yjUopRVU</a>.

<sup>&</sup>lt;sup>19</sup> "Ryan saves daddy with magical wand from Of Dragons, Fairies and Wizards Pretend Play," <a href="https://www.youtube.com/watch?v=pKK">https://www.youtube.com/watch?v=pKK</a> r309RRA.

<sup>&</sup>lt;sup>20</sup> CARU Case# 6121, Ryan ToysReview, Oct. 9, 2017.

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> *Id*.

<sup>&</sup>lt;sup>23</sup> https://www.youtube.com/watch?v=pYwYv24X2Vw&t=17s.

```
"Ryan and Heroes of Goo Jit Zu Saves the World!."
```

https://www.youtube.com/watch?v=FpI0Tq4USBk;

"Pirate Ryan battles for the Bunch O Balloon Treasure chest!,"

https://www.youtube.com/watch?v=YuEc2EkcHys&t=11s;

"Ryan Takes a Trip in an Airplane to the Wonderful Halos Mandarin Orchards in California!," <a href="https://www.youtube.com/watch?v=CuekX7x9lbg">https://www.youtube.com/watch?v=CuekX7x9lbg</a>;

"Giant Smash Surprise Challenge With Walmart's Holiday Top Toys!,"

https://www.youtube.com/watch?v=rDLftdD6Dkk;

"Ryan Plays with Toys in Walmart Toy Lab! Great Kid Presents for the Holidays!," https://www.youtube.com/watch?v=ovbPeX0X508;

"Ryan explores the SECRETS of the HIDDEN TEMPLE in a Pretend Play Challenge!," https://www.voutube.com/watch?v=bTHw64Ju-MI;

"TRANSFORMERS CARDS OPENING Booster Pack Reveal Transformers TCG Trading Cards with Ryan ToysReview,"

https://www.youtube.com/watch?v=ywPsDMpBvWk;

"Ryan Races His Parents with the Help of MiBro his Robot Friend!,"

https://www.youtube.com/watch?v=WMYibFmzBAc;

"Ryan Pretend Play Werewolf Fun Like Lobo from Netflix's Super Monsters!," https://www.youtube.com/watch?v=jRrQH4y0KTQ;

"Ryan's Pretend Play Battle With Kingdom Builders!!,"

https://www.youtube.com/watch?v=Olhix-80jVM;

"Ryan Trains for the Nickelodeon Toy Run Family Style at Walmart! So Many Toys!," https://www.youtube.com/watch?v=nqPPhFZ r2c;

<sup>&</sup>lt;sup>24</sup> The video does not contain any disclosure of material connections between the Guans and the pizza toys featured in the video so it is unclear whether the video includes sponsored content or not.

<sup>&</sup>lt;sup>25</sup> https://www.youtube.com/watch?v=PkBy d-kC3Y&t=2s.

<sup>&</sup>lt;sup>26</sup> Hardee's Relaunches Star Pals<sup>TM</sup> Meals in Partnership with pocket.watch and Ryan's World®, June 11, 2019 Press Release, <a href="https://www.businesswire.com/news/home/20190611005318/">https://www.businesswire.com/news/home/20190611005318/</a> en/Hardee%E2%80%99s-Relaunches-Star-Pals%E2%84%A2-Meals-Partnership-pocket.watch.

<sup>&</sup>lt;sup>27</sup> https://www.youtube.com/watch?v=pYwYv24X2Vw&t=17s.

<sup>&</sup>lt;sup>28</sup> https://www.youtube.com/watch?v=PkBy\_d-kC3Y&t=2s.

<sup>&</sup>lt;sup>29</sup> https://www.youtube.com/watch?v=EjfFankblYA.

<sup>&</sup>lt;sup>30</sup> https://www.youtube.com/watch?v=xa03f0eFPB4.

<sup>31</sup> https://www.youtube.com/watch?v=pP3Xr7dEVSU.

https://www.youtube.com/watch?v=Ukl8Ej9x-SU.

<sup>&</sup>lt;sup>33</sup> A pre-roll advertisement is a commercial that plays before the content the user has selected to view begins.

<sup>&</sup>lt;sup>34</sup> Other examples of Ryan ToysReview sponsored videos that include an insufficient disclosure of material connection:

"Ryan Build his own Toothbrush at the Colgate Factory! New Ryan's World Dental Care Revealed!," https://www.youtube.com/watch?v=msAJOafpyW8&t=246s;

"Ryan's Star Pals Toys Kids Meal Surprise at Carl's Jr. and Hardees," https://www.youtube.com/watch?v=EifFankblYA:

"Ryan's Drive Thru Pretend Play with Hardee's New Star Pals Toys!!!," https://www.youtube.com/watch?v=PkBy\_d-kC3Y&t=2s;

"Chuck E Cheese Indoor Playground and Activities for Kids!!!!," <a href="https://www.youtube.com/watch?v=xa03f0eFPB4">https://www.youtube.com/watch?v=xa03f0eFPB4</a>.

Moreover, during CARU's investigation of Ryan ToysReview, it refused to fully cooperate with CARU. Specifically, the toy review channel refused to disclose the percentage of videos that were sponsored by brands and also refused to disclose whether any of the videos that featured food or candy were sponsored by brands. CARU Case #6121, at fn 16.

Parent comments on the Common Sense Media page make clear that children as young as two watch Ryan ToysReview. <a href="https://www.commonsensemedia.org/youtube-reviews/ryan-toys-review/user-reviews/adult">https://www.commonsensemedia.org/youtube-reviews/ryan-toys-review/user-reviews/adult</a>. For example,

<sup>&</sup>quot;Ryan Makes Play Doh Ice Cream Dream Creations with the Ultimate Swirl Ice Cream Maker Play Food Set," <a href="https://www.youtube.com/watch?v=HpY8YX80rr0">https://www.youtube.com/watch?v=HpY8YX80rr0</a>;

<sup>&</sup>quot;Get Your Hair Done by Ryan! Play Doh Buzz 'n Cut Fuzzy Pumper Barber Shop Toy with Electric Buzzer," <a href="https://www.youtube.com/watch?v=386yjUopRVU">https://www.youtube.com/watch?v=386yjUopRVU</a>;

<sup>&</sup>quot;Ryan saves daddy with magical wand from Of Dragons, Fairies and Wizards Pretend Play," <a href="https://www.youtube.com/watch?v=pKK">https://www.youtube.com/watch?v=pKK</a> r309RRA.

<sup>&</sup>lt;sup>35</sup> CARU Case# 6121, Ryan ToysReview, Oct. 9, 2017.

<sup>&</sup>lt;sup>36</sup> Examples of Ryan ToysReview sponsored videos that do not include an audible disclosure of material connection, despite CARU's recommendation include:

<sup>&</sup>lt;sup>37</sup> Regarding the specific age of the target audience, CARU simply stated, in footnotes and without any analytical data, that "CARU considered the target audience to be in the same range as Ryan, approximately 4-7 years of age" and that "Ryan is 6-years old [at the time] and the toys and products that are featured in the videos are appropriate for his age group." *See* CARU Case #6121, at fn 26 and 29.

<sup>&</sup>lt;sup>38</sup> *Id.* at 8

<sup>&</sup>lt;sup>39</sup> See, e.g., "Ryan and Heroes of Goo Jit Zu Saves the World!," <a href="https://www.youtube.com/watch?v=FpI0Tq4USBk">https://www.youtube.com/watch?v=FpI0Tq4USBk</a>; "Pirate Ryan battles for the Bunch O Balloon Treasure chest!," <a href="https://www.youtube.com/watch?v=YuEc2EkcHys&t=11s">https://www.youtube.com/watch?v=YuEc2EkcHys&t=11s</a>.

<sup>&</sup>lt;sup>40</sup> These data, regarding the specific age of the target audience, are consistent with other sources that have identified Ryan ToysReview's YouTube channel as "aimed squarely at pre-school children," and appropriate for children "4+." *See* Angela J. Campbell, "Rethinking Children's Advertising Policies for the Digital Age," Georgetown University Law Center (2017) at 12; Common Sense Media Ryan Toys Review age rating, <a href="https://www.commonsensemedia.org/youtube-reviews/ryan-toys-review">https://www.commonsensemedia.org/youtube-reviews/ryan-toys-review</a>.

Adult Written by Jewel Amber July 16, 2019	age 2+ ★★★★
	Autistic son loves Ryan.  My son doesn't like a lot of things, but he has loved Ryan for a few years now. Even just Ryan trying different foods has helped my very picky son open up and try different foods.
	I agree the mother's voice becomes grating after a couple videos, but other than that the show is positive, and it's completely appropriate for kids of all ages.  Show less
	This title contains:
Adult Written by Noasark15 July 1, 2019	age 2+ ★★★★
	More Ryan airtime less of his Mother PLEASE!!  My little boy loves Ryan and talks about him constantly but can something be done about his mother PLEASE!!! Her voice is like a Bloody chainsaw revving up and down with loud screeches akin to a Banshee. All she does is position toys to be sold and has no other purpose. When Ryan first started it was about Ryan now the show has become about her airtime and not Ryan. Can someone please tell her to go back into the background!  Show less
Adult Written by Hotmom85 June 29, 2019	age 2+ ★★★★
	Its a 5 star show FOR KIDS!!!  Eeewww reading all the parents' comments, disgust me!!! You all realize this show is for kids and with that being said, my opinion is this show is PERFECT for children. My daughter and every other kid around 2 to 6 loveeee his show, his products and the entire family. So really, it doesnt matter how annoying WE find it, its all on how our children react to it as far as your ratings should go. The history behind it is, a mom backed her son up on him wanting to be on youtube. Therefore, she is a wonderful supportive mom, who lucked the eff out because now they are legit loaded.  I hope they continue to keep these shows because i think kids will love his shows for many more years to
	come!!!! Show less
	This title contains: +a Positive role models
Adult Written by mamapantalones June 21, 2018	age 2+ ★★★★★
	Incredibly annoying  While my 3 year old loves this channel, my husband and I can't stand it. There's really no purpose to it, and the mother's voice is so extremely loud and obnoxious even when we have it set to the lowest volume on his tablet it is still extremely loud.
	This title contains:  \$ Consumerism

<sup>&</sup>lt;sup>41</sup> "Age labeling provides parents and other consumers guidance for selecting proper toys for children." U.S. Consumer Product Safety Commission, Age Determination Guidelines: Relating Children's Ages to Toy Characteristics and Play Behavior, Sept. 2002 <a href="https://www.cpsc.gov/s3fs-public/pdfs/blk\_media\_adg.pdf">https://www.cpsc.gov/s3fs-public/pdfs/blk\_media\_adg.pdf</a>, at 3; CPSC Guidelines for Determining Age Appropriateness of Toys, March 2018 Draft, <a href="https://www.cpsc.gov/s3fs-public/DRAFT%20Age%20Determination%20Guidelines%20for%20Toys.pdf?xc38je7mgBIB">https://www.cpsc.gov/s3fs-public/DRAFT%20Age%20Determination%20Guidelines%20for%20Toys.pdf?xc38je7mgBIB</a> A.wPVonS Q0 MN3fYHz.

Some of the products included in this statistic are toys promoted in Ryan's World commercials included at the end of several Ryan ToysReview videos. Other products included in this statistic include a Colgate Kids Ryan's World Toothpaste ("This fluoride toothpaste for kids is specially designed those [sic] ages 2+"), Ryan's World Meet Ryan! Book ("3-7 years"), an alphabet play mat ("Suggested Age: Newborn and Up"), and the Tag with Ryan app ("4+"). Props shown in videos that promote the Guans' Nickelodeon show "Ryan's Mystery Playdate" are not included in this statistic as they are not products readily found on the internet for sale.

<sup>42</sup> https://www.youtube.com/watch?v=-DH83IDkCqw.

<sup>43</sup> https://www.littletikes.com/item/642302/cozy-coupe/1.html.

<sup>44</sup> https://www.youtube.com/watch?v=vIRQwfPK Co.

<sup>45</sup> https://www.lakeshorelearning.com/products/ca/s/DD561/
2utm\_source=google&utm\_medium=ppc&utm\_campaign=PLA&CATARGETID=52001101000
0097884&CADevice=c&gclid=CjwKCAjwm4rqBRBUEiwAwaWjjG8TW06aV5xurSxS32I8Ne
M9Uob603PfTvAvmAh31KOuNu\_LzMmUihoC7Y8OAvD\_BwE.

<sup>46</sup> https://www.youtube.com/watch?v=IO9XBPVg2HE&t=13s.

<sup>47</sup> https://www.kidkraft.com/us\_en/large-pastel-play-kitchen-53181.html.

<sup>&</sup>lt;sup>48</sup> Numerous Ryan's World toys are geared to younger children, with many bearing an age rating of "3+." *See* Ryan ToysReview Launches Massive Ryan's World Toy Line-Up Exclusively at Walmart, July 30, 2018, <a href="https://www.i4u.com/2018/07/129218/ryan-toysreview-launches-massive-ryans-world-toy-line-exclusively-walmart">https://www.i4u.com/2018/07/129218/ryan-toysreview-launches-massive-ryans-world-toy-line-exclusively-walmart</a> ("Targeted to children ages 3 and up, the line at launch includes fifteen collectible toys and four different t-shirt designs featuring some of Ryan's favorite things; including his pal Gus, The Gummy Gator, and pizza."); Ryan's World Toys on Bonkers.com, <a href="https://www.bonkerstoys.com/ryan-s-world-html">https://www.bonkerstoys.com/ryan-s-world-html</a> (listing Ryan's World toys, all of which have an age rating of 3+). For example, Ryan's World Super Surprise Safe, currently a bestselling item on Walmart.com, and Ryan's World Giant Egg Surprise, currently a "top" Ryan's World toy on Target.com, are both toys made for three year olds and up. *See* <a href="https://www.walmart.com/search/?cat\_id=4171&page=1&query=ryans+world&sort=best\_seller">https://www.walmart.com/search/?cat\_id=4171&page=1&query=ryans+world&sort=best\_seller</a>; <a href="https://www.target.com/c/top-toys/-N-5cgh5Zlof3t?Nao=0">https://www.target.com/p/ryan-s-world-target-exclusive-giant-egg-surprise/-/A-53568334</a>.

<sup>&</sup>lt;sup>49</sup> Nickelodeon Unboxes Playful New Preschool Series *Ryan's Mystery Playdate*, Starring YouTube Superstar Ryan of Ryan ToysReview, March 27, 2019 Press Release, available at <a href="https://www.businesswire.com/news/home/20190327005496/en/Nickelodeon-Unboxes-Playful-New-Preschool-Series-Ryan%E2%80%99s">https://www.instagram.com/ryansmysteryplaydate/?hl=en (showing Ryan's Mystery Playdate's airing schedule).</a>

<sup>&</sup>lt;sup>50</sup> EK Doodles YouTube channel, About page, <a href="https://www.youtube.com/channel/UCjqjaWJa66\_3jPZK17KY8Gw/about">https://www.youtube.com/channel/UCjqjaWJa66\_3jPZK17KY8Gw/about</a>. Note that this statistic does not reflect the number of Ryan ToysReview videos that promote Ryan's Mystery Playdate and/or EK Doodles. The statistic only represents the number of videos that promote these programs without also featuring a preschool-aged toy.

This is not to say that the remaining 8 percent of the videos sampled are solely geared toward older children. In fact, many of the remaining 8 percent feature typical preschool activities, such as Ryan playing at a playground with his toddler sisters, making slime, and wearing clothing featuring Ryan's World cartoon characters. In fact, in addition to these product and program promotions, the Guans' also frequently feature Ryan's World cartoon characters – including Superhero Red Titan, Combo Panda, Gus the Gummy Gator, and others – either in animated form on screen, in toy or video game form (as seen in the videos that promote toys), or on Ryan's clothing. *See e.g.*, "Ryan transforms to Kid Superhero Red Titan and introduce all his friends!!!," <a href="https://www.youtube.com/watch?v=QkISNeDBfmA">https://www.youtube.com/watch?v=QkISNeDBfmA</a>; "Ryan Pretend Play Cooking toys Kitchen Play set as Red Titan!!!," <a href="https://www.youtube.com/watch?v=IO9XBPVg2HE&t=255s">https://www.youtube.com/watch?v=IO9XBPVg2HE&t=255s</a>; "ABC Song + More Nursery Rhymes & Kids Songs," <a href="https://www.youtube.com/watch?v=gsbix-bD1ic">https://www.youtube.com/watch?v=gsbix-bD1ic</a>;

"Lava Monster!!! The Floor is Lava Challenge Giant Board Game with Ryan and Combo Panda!!!," <a href="https://www.youtube.com/watch?v=Emkll3YvpHM">https://www.youtube.com/watch?v=Emkll3YvpHM</a>.

According to the U.S Consumer Product Safety Commission Guidelines Relating Children's Ages to Toy Characteristics and Play Behavior, two-year-olds are "drawn to familiar cartoon characters from television shows that they can incorporate into their play themes" and three-year-olds find characters, "especially gentle, cartoonish characters" to be important because they use these characters as "safe playmates." *See* U.S. Consumer Product Safety Commission, Age Determination Guidelines: Relating Children's Ages to Toy Characteristics and Play Behavior, Sept. 2002 <a href="https://www.cpsc.gov/s3fs-public/pdfs/blk\_media\_adg.pdf">https://www.cpsc.gov/s3fs-public/pdfs/blk\_media\_adg.pdf</a>, at 18; CPSC Guidelines for Determining Age Appropriateness of Toys, March 2018 Draft, <a href="https://www.cpsc.gov/s3fs-public/DRAFT%20Age%20Determination%20Guidelines%20for%20Toys.pdf?xc38je7mgBIBA.wPVonS\_Q0\_MN3fYHz">https://www.cpsc.gov/s3fs-public/DRAFT%20Age%20Determination%20Guidelines%20for%20Toys.pdf?xc38je7mgBIBA.wPVonS\_Q0\_MN3fYHz</a>, at 21.

It is also important to note that Ryan ToysReview's two most popular videos of 2019 thus far — one with more than 126 million views and the other with more than 115 million views — are videos that go through the alphabet and sing nursery rhymes: a February 2019 video titled "ABC Song Learn English Alphabet for Children with Ryan! | ABC phonics + More Kids Nursery Rhymes" (https://www.youtube.com/watch?v=DPk5H8bdNx8&t=68s) and a January 2019 video titled "ABC Song Learn English Alphabet for Children with Ryan! | Kids Nursery Rhymes (https://www.youtube.com/watch?v=GcmDiyk3NJs&t=10s).





According to the U.S. Department of Education, alphabet letters are typically taught to children under the age of five. *See* Typical Language Accomplishments for Children, Birth to Age 6 – Helping Your Child Become a Reader, U.S. Department of Education, <a href="https://www2.ed.gov/parents/academic/help/reader/part9.html">https://www2.ed.gov/parents/academic/help/reader/part9.html</a> (stating that from ages three to four, most preschoolers identify letters, make letter-sound matches, and make attempts to read and write).

Finally, it is also worth noting that 84 of the 211 videos – 40 percent – are categorized by the Guans as including an element of "pretend play" (based on how the videos are titled). According to the U.S Consumer Product Safety Commission's Age Determination Guidelines for toys and play behavior, pretend play is a common activity for preschoolers. *See* U.S. Consumer Product Safety Commission, Age Determination Guidelines: Relating Children's Ages to Toy Characteristics and Play Behavior, Sept. 2002 <a href="https://www.cpsc.gov/s3fspublic/pdfs/blk\_media\_adg.pdf">https://www.cpsc.gov/s3fspublic/pdfs/blk\_media\_adg.pdf</a>, at 18; CPSC Guidelines for Determining Age Appropriateness of Toys, March 2018 Draft, <a href="https://www.cpsc.gov/s3fspublic/DRAFT%20Age%20Determination%20Guidelines%20for%20Toys.pdf?xc38j\_e7mgBIBA.wPVonS\_Q0\_MN3fYHz">https://www.cpsc.gov/s3fspublic/DRAFT%20Age%20Determination%20Guidelines%20for%20Toys.pdf?xc38j\_e7mgBIBA.wPVonS\_Q0\_MN3fYHz</a>.

<sup>&</sup>lt;sup>52</sup> FTC Policy Statement on Deception, <a href="https://www.ftc.gov/system/files/documents/">https://www.ftc.gov/system/files/documents/</a>
<a href="public\_statements/410531/831014deceptionstmt.pdf">public\_statements/410531/831014deceptionstmt.pdf</a>, at fn. 20 ("A material practice that misleads a significant minority of reasonable consumers is deceptive.").

<sup>&</sup>lt;sup>53</sup> Matthew A. Lapierre et al., "The Effect of Advertising on Children and Adolescents," *Pediatrics* 140, no. Supplement 2 (November 2017), <a href="https://doi.org/10.1542/peds.2016-1758V">https://doi.org/10.1542/peds.2016-1758V</a>, at S153 ("For decades, researchers have recognized children as a vulnerable consumer group because of their budding developmental abilities."); Angela J. Campbell, "Rethinking Children's Advertising Policies for the Digital Age," Georgetown University Law Center (2017), at 40 ("Because they are just developing their cognitive capabilities, children are more trusting than adults and thus, more vulnerable to 'commercial pitches' by program hosts, a practice known as 'host selling."").

<sup>&</sup>lt;sup>54</sup> Deborah John, "Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research," *Journal of Consumer Research* 26 (February 1, 1999): 183-213, <a href="https://doi.org/10.1086/209559">https://doi.org/10.1086/209559</a>; Angela J. Campbell, "Rethinking Children's Advertising Policies for the Digital Age" at 36-37; Rita-Marie Cain Reid, "Embedded Advertising to Children: A Tactic That Requires a New Regulatory Approach," *American Business Law Journal* 51, no. 4 (2014): 721-77, <a href="https://doi.org/10.1111/ablj.12038">https://doi.org/10.1111/ablj.12038</a>, at 4.

<sup>&</sup>lt;sup>55</sup> Rita-Marie Cain Reid, "Embedded Advertising to Children: A Tactic That Requires a New Regulatory Approach," *American Business Law Journal* 51, no. 4 (2014): 721-77, https://doi.org/10.1111/ablj.12038.

<sup>&</sup>lt;sup>56</sup> *Id*.

Atthew A. Lapierre et al., "The Effect of Advertising on Children and Adolescents," *Pediatrics* 140, no. Supplement 2 (November 2017), <a href="https://doi.org/10.1542/peds.2016-1758V">https://doi.org/10.1542/peds.2016-1758V</a>; Deborah John, "Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research," *Journal of Consumer Research* 26 (February 1, 1999): 183-213, <a href="https://doi.org/10.1086/209559">https://doi.org/10.1086/209559</a>; World of Adcraft: The government video game that teaches kids about the perils of advertising, May 10, 2010, <a href="https://slate.com/business/2010/05/admongo-the-government-video-game-that-teaches-kids-about-the-perils-of-advertising.html">https://slate.com/business/2010/05/admongo-the-government-video-game-that-teaches-kids-about-the-perils-of-advertising.html</a> ("The FTC says it couldn't design the content for younger kids because at that age [younger than eight] the little moppets aren't yet capable of understanding persuasive intent—or even the difference between advertising and editorial content. But doesn't that suggest those younger kids are even more in need of the FTC's protection?")

<sup>&</sup>lt;sup>58</sup> Rita-Marie Cain Reid, "Embedded Advertising to Children: A Tactic That Requires a New Regulatory Approach," *American Business Law Journal* 51, no. 4 (2014): 721-77, <a href="https://doi.org/10.1111/ablj.12038">https://doi.org/10.1111/ablj.12038</a>, at 8 ("'By blurring the boundaries between advertising and entertainment, advertisers may simply overwhelm the defenses children are still in the process of building.'")

<sup>&</sup>lt;sup>59</sup> Matthew A. Lapierre et al., "The Effect of Advertising on Children and Adolescents," *Pediatrics* 140, no. Supplement 2 (November 2017), <a href="https://doi.org/10.1542/peds.2016-1758V">https://doi.org/10.1542/peds.2016-1758V</a>, at S153 (""For decades, researchers have recognized children as a vulnerable consumer group because of their budding developmental abilities.")

<sup>&</sup>lt;sup>60</sup> Angela J. Campbell, "Rethinking Children's Advertising Policies for the Digital Age" at 36-37 (note that this publication reports the age of children who cannot distinguish traditional ads from other forms of content as five and under, whereas other sources report the age as under five). *See* 

also Soontae An & Susannah Stern, *Mitigating the Effects of Advergames on Children*, 40 J. of Advertising 43, 50 (2011) (an experiment designed to test the effect of "ad breaks," i.e., disclosing that an advergame is a commercial, on children aged eight to eleven, found that the inclusion of an ad break did not increase children's understanding that the purpose of the advergame was to sell a product.)

<sup>&</sup>lt;sup>61</sup> *Id*.

<sup>62</sup> FTC Guides Concerning the Use of Endorsements and Testimonials in Advertising, https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf ("When there exists a connection between the endorser and the seller of the advertised product that might materially affect the weight or credibility of the endorsement (i.e., the connection is not reasonably expected by the audience), such connection must be fully disclosed."); FTC .com Disclosures: How to Make Effective Disclosures in Digital Advertising, https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-staff-revises-online-advertising-disclosureguidelines/130312dotcomdisclosures.pdf; (Disclosures must be "understandable to the intended audience."); FTC Policy Statement on Deception, https://www.ftc.gov/system/files/documents/public\_statements/410531/831014deceptionstmt.pdf ("When representations or sales practices are targeted to a specific audience, such as children, the elderly, or the terminally ill, the Commission determines the effect of the practice on a reasonable member of that group.").

<sup>&</sup>lt;sup>63</sup> Angela J. Campbell, "Rethinking Children's Advertising Policies for the Digital Age."

<sup>&</sup>lt;sup>64</sup> The FCC Order states, among other things: "Any material which constitutes advertising should be confined to identifiable commercial segments which are set off in some clear manner from the entertainment portion of the program." Rita-Marie Cain Reid, "Embedded Advertising to Children: A Tactic That Requires a New Regulatory Approach," *American Business Law Journal* 51, no. 4 (2014): 721-77, <a href="https://doi.org/10.1111/ablj.12038">https://doi.org/10.1111/ablj.12038</a>, at 16-17. *See also* Angela J. Campbell, "Prohibiting Product Placement and the Use of Characters in Marketing to Children," DRAFT Sept. 7, 2005, <a href="https://ecfsapi.fcc.gov/file/6518163650.pdf">https://ecfsapi.fcc.gov/file/6518163650.pdf</a>.