

2023 Activity Report

**2023 Activity Report
for the Direct Selling
Self-Regulatory Council**

Introduction

This Activity Report outlines the notable initiatives undertaken by the Direct Selling Self-Regulatory Council (DSSRC) in 2023, including its monitoring of direct selling advertising and marketing, its case work, and DSSRC's continuing educational initiatives for the direct selling channel.

In 2023, DSSRC provided active oversight of product and business opportunity claims disseminated by direct selling companies and their salesforce members. DSSRC initiated its 485th case inquiry, hosted the third annual Direct Selling Summit, released its comprehensive Guidance on Income Disclosure Statements for the Direct Selling Industry, and provided guidance and instruction on earnings and product claims emphasizing compliance supervision to numerous direct selling companies. In addition to providing educational presentations on its self-regulatory program, DSSRC engaged with various state and federal government agencies in discussions about its collaboration with the direct selling industry.

DSSRC Casework

DSSRC has continued its efforts to monitor direct selling marketing and identify unsupported and inaccurate claims related to the anticipated income of salesforce members participating in the direct selling business opportunity. DSSRC also reviewed claims that explicitly or implicitly communicate inaccurate descriptions of the performance of products in specific contexts. This scrutiny aligns with ongoing regulatory actions, such as warning letters issued by the Federal Trade Commission (FTC) to direct selling companies for such claims and the FTC's ongoing consideration of rulemaking to address deceptive and unfair marketing using earnings claims.

In 2023, DSSRC initiated 94 case inquiries, including five compliance inquiries, with 30 pending inquiries that will carry into 2024. DSSRC published 40 formal case decisions and 44 administratively resolved inquiry summaries on BBB National Programs' website in 2023. Notably, some of these cases were carried over from inquiries initiated in 2022. DSSRC adopts an administrative closing approach if the direct selling company commits, within the initial 15 business days of receiving DSSRC's Notice of Inquiry, to discontinue or significantly modify the disputed claims. Failure to receive such a commitment leads to the transition of the matter into a formal case review.

Of the 94 inquiries initiated in 2023, all but two were a result of program monitoring, with those two matters brought to DSSRC's attention by non-governmental organizations (NGO). 39 of the inquiries involved member companies of the Direct Selling Association (DSA), while the remaining 55 inquiries involved non-member companies.

In 2023, DSSRC referred five cases that included patterns of business opportunity and/or product performance claims to the FTC and State Attorneys General offices for enforcement. During this period, DSSRC also identified and communicated 947 representative claims to direct selling companies, consisting of 298 product claims and 649 business opportunity/earnings claims, such as those with lavish lifestyle representations. While DSSRC specifically identifies representative claims in its Notice of Inquiry to direct selling companies, DSSRC requests and encourages the company to address any similar claims in their marketing materials beyond those specifically identified by DSSRC.

Most of the earnings claims inquiries centered on unqualified representations (e.g. "unlimited income") or insufficient disclosures for atypical earnings claims. DSSRC emphasized the need to provide such disclosures clearly, conspicuously, and in close

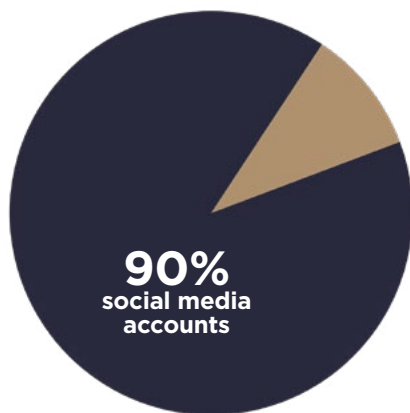
proximity to the triggering atypical claim. Companies participating in such inquiries with DSSRC either discontinued or modified the claims to include references to the generally expected income in the depicted scenario.



Claims Brought to the Attention of Direct Selling Companies

- 298 product claims
- 649 business opportunity/earnings claims

Similarly, direct selling companies have addressed the issue of unqualified company bonus and incentive claims by including disclosures indicating the percentage or number of program participants obtaining such rewards. This involved direct communication with active salesforce members to remove relevant social media posts or add appropriate disclosure language. In accordance with DSSRC's recommendations, companies have also increasingly requested social media platforms to disable posts directly. Approximately 90% of identified claims in 2023 originated from direct selling company and salesforce member social media accounts, with the majority on Facebook. The rest were on company websites and video platforms, such as YouTube.



10%
on company websites/
video platforms

Claims Found on Social Media

- 90% social media accounts
- 10% on company websites/video platforms

Apart from the five case referrals, all of the companies that were the subject of DSSRC inquiries were responsive and participated in the self-regulatory forum. Following receipt of the DSSRC Notice of Inquiry, companies contacted DSSRC and engaged in telephone/

video calls to discuss the process, often expressing support for voluntary industry self-regulation.

While DSSRC continues to identify isolated claims related to the treatment of viruses in general, representations specifically tied to COVID-19 disseminated by direct selling companies and/or their salesforce members continued to diminish significantly. In 2023, DSSRC commenced only seven inquiries that included claims related to COVID-19. This marked a marginal decrease from the nine COVID-19-related cases in 2022. The 2023 inquiries included the review of eight product performance claims mentioning COVID-19 and two claims associating COVID-19 with the direct selling business opportunity.

Among the seven inquiries, two were part of administratively resolved inquiry summaries, four were part of formal DSSRC decisions, and one inquiry is still pending.

DSSRC Monitoring

DSSRC independently monitors the dissemination of earnings and product claims by direct selling salesforce members across various social media platforms and the websites of all direct selling companies in the United States. In 2023, to expand the scope of its monitoring, DSSRC collaborated with two third-party monitoring companies with expertise in understanding the nuances of the direct selling space. DSSRC reviews the analytical data provided by the monitoring companies to identify potential violations of applicable FTC rules and regulations.

References to salesforce members achieving “financial freedom” from the direct selling business opportunity (i.e., communicated in express claims or hashtags) was the most identified earnings claim according to DSSRC’s monitoring data, followed by claims pertaining to career-level income, full-time income, passive income, replacement income, and unlimited income.

With respect to product claims, representations promising substantial weight loss (communicated in express representations or through “before and after” depictions) was the most identified category of claim identified in DSSRC’s monitoring, followed by references that direct selling products can treat or address conditions of anxiety, depression, eczema, and/or pain and inflammation. DSSRC also identified a number of claims that related to the treatment of serious disease conditions such as cancer, diabetes, and autism.

While Facebook continues to record the highest number of infractions, there has been a decrease of approximately 20% in the number of potential claims

From January 1 through November 30, 2023, DSSRC monitoring identified:

- ◆ Approximately **422,108** Unique URLs
- ◆ **6,573** Unique URLs Reviewed as potential incidents
- ◆ **2,593** Facebook Posts
- ◆ **384** Instagram Posts
- ◆ **523** YouTube Videos
- ◆ **101** TikTok Videos
- ◆ **46** Twitter Posts
- ◆ **83** LinkedIn Posts
- ◆ **1,550** Health-Related Product Posts
- ◆ **2,045** Business Opportunity Income Posts
- ◆ **56** COVID-19 Posts

appearing on that platform. Conversely, the number of claims identified on Instagram rose by 58%. DSSRC has also observed salesforce members utilizing several alternative social media platforms to communicate claims, including platforms such as LinkedIn, Loom, and Pinterest.

Direct Selling Summit: Responsible Brand Growth

On July 27, DSSRC hosted its third annual Direct Selling Summit, bringing together business leaders, legal professionals, and compliance experts from across the direct selling industry. The virtual, half day event was an educational opportunity, providing attendees with tips and best practices for responsibly growing their direct selling brand, increasing consumer trust, and staying compliant.

The Summit featured keynote speaker Nevada Chief Deputy Attorney General Mark J. Krueger and remarks from leading brand expert Patrick Hanlon. Florida Attorney General Ashley Moody also provided brief comments regarding issues of priority at the Florida Attorney General's office.

PANEL 1

Participants on the first panel, **An Expert Discussion: The FTC's Rule-Making Process Regarding Earnings Claims**, moderated by BBB National Programs' Executive Vice President of Policy, Mary Engle, discussed the FTC's recently published Health Products Compliance Guidance, updating and replacing its longstanding Dietary Supplements: An Advertising Guide for Industry, highlighting important changes to the guidance that apply to any company making health-related claims in advertising and the type of substantiation that should be considered by companies when disseminating health-related claims.

PANEL 2

The second panel, **Claims LIVE: The Challenge of Providing Claim Oversight at Live Events**, explored best practices for ensuring that claims made at live events are truthful, accurate, and compliant with industry regulations and guidelines. This panel, moderated by Jonathan Gelfand, Chief Legal Officer and SVP Business Development at Beachbody, LLC explored strategies for training and educating direct selling companies and independent salesforce members on how to communicate claims and representations in a compliant manner while also discussing approaches on how to avoid problematic express and implied product and earnings claims.

KEYNOTE SESSION

During the keynote session, Nevada Chief Deputy Attorney General Mark Krueger discussed the mission of Nevada's Bureau of Consumer Protection. The focus was on protecting the interests of Nevada, its residents, consumers, and businesses, while also ensuring a fair, honest, and competitive marketplace. Mr. Krueger highlighted the distinctions between legitimate direct selling companies and illegal pyramid schemes and provided insight on the civil and criminal penalties imposed by Nevada law. Additionally, Mr. Krueger spoke about the educational resources provided by his office, the different sources of investigations that come before the Nevada Bureau of Consumer Protection, and how to file a complaint with the Nevada Attorney General's office.

PANEL 3

The final panel, **The FTC and Direct Selling: Reading the Agency Post-Noland, Pre-Neora** was moderated by John Villafranco from Kelley Drye & Warren, and delved into the ramifications of this year's U.S. District Court decision involving the FTC vs. James D. Noland. This case encompassed allegations of pyramid scheme and unsupported earnings and product performance claims. The panel discussed how this case could be distinguished from another FTC case involving similar allegations against the direct selling company Neora. Emphasis was placed on the broader impact of these cases on the direct selling industry, what the implications might be for Neora, and the overall outlook for the future of the direct selling channel.

DSSRC appreciated the direct selling industry's support of the Direct Selling Summit. More than 125 industry professionals registered for the event, including registrants from 21 different DSA member companies.

Socializing the Industry's Commitment to Advertising Self- Regulation

DSSRC had numerous opportunities to share the commitment of the direct selling industry to independent self-regulation with state and federal government agencies and industry stakeholders in 2023. Through each of these opportunities, the DSSRC team was able to discuss its work in providing guidance and instruction to direct selling companies regarding claims of product performance and income opportunity.

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In January, DSSRC Vice President, Peter Marinello, and Deputy Director, Howard Smith, spoke with industry thought leaders at DSA's Compliance Officers' Retreat in Irvine, California to present a draft of DSSRC's Guidance on Income Disclosure Statements for the Direct Selling Industry. The compliance officers were very receptive to the DSSRC guidance initiative and provided valuable feedback for DSSRC to consider in the final publication of the document.

In February, Marinello attended the Republican Attorneys General Association Winter National Meeting in New Orleans and had an opportunity to discuss the direct selling industry's commitment to independent self-regulation with several Attorney Generals and their staff members.

Later that month, Marinello presented at the 2023 Direct Selling Leadership and Compliance Summit in Salt Lake City on a panel entitled "Dealing with Nastygrams: Responding to Regulators and Industry Opponents." During the session, he discussed how cases are administered at DSSRC, effective techniques for companies responding to a DSSRC inquiry, as well as how DSSRC addresses non-responsive salesforce members and problematic social media posts disseminated by salesforce members located outside of the

United States.

In March, Marinello and Smith participated on a call with DSA's Board of Directors, providing an update on DSSRC's monitoring and casework and discussed recent case referrals that were sent to the FTC and State Attorneys General offices.

In May, Smith presented at the BBB Bootcamp in Dallas, which provided training for those who conduct advertising reviews and investigations for BBBs across North America. The presentation, "Introduction to BBB National Programs | NAD & DSSRC Case Overviews," provided a summary of BBB National Programs' work in advertising self-regulation, a primer on the fundamental tenants of advertising law, and a focused discussion of the FTC's recent Health Products Compliance Guidance.

In June, at the DSA Annual Meeting in Scottsdale, Marinello spoke with a group of general counsel regarding updates to DSSRC's Guidance on Income Disclosure Statements as well as with a break-out session about the implications of the FTC's Penalty Offense Notices and the recently published FTC Health Products Compliance Guidance.

Following July's Direct Selling Summit, Marinello spoke at a conference in August that was hosted by the Direct Selling Educational Foundation at Emory University's Goizueta Business School. The "Building Trust in the Marketplace" conference focused on how self-regulation contributes to business and consumer confidence and how the direct selling industry has demonstrated its commitment to third-party administered self-regulation.

In September, Marinello visited the offices of the National Consumer League and spoke with John Bryault, VP Public Policy Telecommunications and Fraud. Peter explained the benefits of independent third-party self regulation in the direct selling industry and how DSSRC provides claim oversight and educational resources for industry stakeholders.

Later that month, Marinello and Smith were guest lecturers at St. John University's School of Law's Consumer Protection class where they discussed the fundamental principles of industry self-regulation, drawing distinctions between self-regulation and government regulation. They presented various case examples and conducted a detailed analysis to illustrate how DSSRC evaluates advertising and marketing claims within the direct selling industry. The presentation also covered the initiation and resolution processes for inquiries, providing students with a comprehensive understanding of the mechanisms employed by DSSRC.

Later that month, Marinello and Smith provided a program update to DSA members at the Association's Legal and Regulatory Seminar in Washington, DC, where they discussed several of DSSRC's accomplishments since its inception in 2019, as well as some of the challenges and obstacles encountered and the various indicators and metrics used to assess the program's effectiveness.

In October, Marinello moderated a panel at the Soft Law Summit, an event hosted by BBB National Programs' 501(c)3 foundation, the Center for Industry Self-Regulation. The

panel, which included Brian Bennett from DSA, the Associate Director at FTC's Division of Marketing Practices Lois Griesman, and two professionals from other industries, explored the ways in which industry trade associations contribute to the development of self-regulation programs and examined the underlying motivations, potential benefits, and the broader impact these initiatives can have on industries, businesses, and consumers.

In December, Marinello and Smith participated in DSA's Ethics webinar to discuss the recent publication of DSSRC's Guidance on Income Disclosure Statements for the Direct Selling Industry and provided detail on the purpose of the document and how it could assist companies in utilizing an income disclosure statement while considering issues pertaining to segmentation, presentation, and transparency regarding income that can be generally expected by the typical direct selling business opportunity participant.

DSSRC also had several occasions in 2023 to speak with staff members at the FTC's Division of Marketing Practices regarding recent DSSRC initiatives and casework. Additionally, DSSRC discussed the direct selling industry's self-regulatory program with Consumer Protection Divisions in various states, including Tennessee, Utah, Florida, and Nevada.

DSSRC's work, impact, and specific cases were mentioned more than 20 times in 2023 and were the subject of several articles that ran in Social Selling News, HBW Insight, Natural Products Insider, and NutraIngredients, among other publications.

DSSRC Guidance on Income Disclosure Statements for the Direct Selling Industry

In October, DSSRC published its Guidance on Income Disclosure Statements for the Direct Selling Industry to help direct selling companies provide truthful and non-misleading information regarding the levels of income that can be generally expected by salesforce members who engage in the direct selling business opportunity.

The Guidance emphasizes the importance of accurate and transparent income disclosure for direct selling companies and their salesforce members and was derived from numerous conversations with industry stakeholders. The Guidance draws from sources such as the FTC's dot.com Disclosure Guide, the 2018 FTC Business Guidance Concerning Multi-Level Marketing, DSSRC's Guidance on Earnings Claims for the Direct Selling Industry, and DSA's Code of Ethics in an effort to provide education and support to the direct selling channel in upholding the fundamental principles of accurate claim dissemination.

The Guidance touches on several key principles and issues for consideration when a direct selling company prepares an income disclosure statement (IDS), including, but not limited to, defining an IDS, transparency and clarity of the income opportunity, presenting data in an easily understandable format, and setting realistic expectations regarding the income that can generally be expected by the typical direct selling salesforce member.

DSA Code Administrator Work

In 2023, DSSRC continued in the role of Code Administrator for the enforcement of DSA Code of Ethics complaints. The Code of Ethics is designed to ensure ethical business practices for DSA members and to create a framework for ethical conduct, fostering trust within the industry and protecting the business interests of consumers and independent salesforce members.

DSSRC worked in collaboration with DSA to establish and implement transparent complaint handling procedures to ensure prompt resolution of all complaints. The complaint handling procedures include the review and determination of whether a violation of the Code of Ethics has occurred and for the Code Administrator to answer as promptly as possible all queries relating to the Code of Ethics and its application.

DSSRC continues to work closely with DSA to ensure that Code matters are resolved expeditiously and that all parties to a Code inquiry have a full and fair opportunity to be heard.

Case Reporting Transparency

In 2024, DSSRC will make a concerted effort to increase the transparency of its reporting of administratively closed cases and to work with direct selling companies to disclose information about the inquiry to industry stakeholders. Transparency builds trust among stakeholders, including consumers, member companies, and regulatory bodies.

When the resolution process is transparent, it further enhances the credibility of DSSRC, demonstrates its accountability, and amplifies the commitment of direct selling companies to promoting ethical standards, adhering to the principles of compliant claim dissemination and substantiation, and being held responsible for their decisions and actions.

Clear and transparent reporting also educates stakeholders about the resolution process, helping them understand the criteria, considerations, and outcomes of administratively closed cases, which will contribute to a better public understanding of the industry's commitment to self-regulation.

Importantly, when the resolution process is transparent, it serves as a deterrent to non-compliance. Companies are more likely to adhere to ethical standards if they know that the resolution of cases is scrutinized and reported transparently and facilitates the identification and advocacy of industry best practices. By openly discussing the resolution of cases, DSSRC can accentuate the positive action taken by direct selling companies and provide information regarding practices that other companies may choose to adopt.

Added clarity to the reporting process will also allow DSSRC to better address concerns and misconceptions that may arise during the resolution process and provide an opportunity to elaborate on the rationale behind decisions. Regulatory agencies and industry stakeholders have an expectation of transparency in self-regulation endeavors and, by aligning with these expectations, DSSRC can enhance its effectiveness and legitimacy of the program in the eyes of regulators and the public.

A list of direct selling companies that were the subject of DSSRC administratively resolved inquiry summaries in 2023 is included in this report's Appendix.

DSSRC looks forward to working with stakeholders in 2024 to effectively demonstrate the good faith efforts and commitment of direct selling companies to industry self-regulation.

Appendix

2023 DSSRC Administratively Resolved Inquiry Summaries

In accordance with Section V(D) of the DSSRC Policies and Procedures, DSSRC will administratively close an inquiry that involves social media posts that originate outside of the United States and/or involve a small number of social media posts when it is determined that the Company has demonstrated a bona-fide, good faith effort to have the claims at issue removed from circulation and commits to use its best efforts to ensure that Company and/or its salesforce members will refrain from communicating similar claims in the future. Details of such closures are reported in the Administratively Resolved Inquiry Summaries section on the DSSRC page of the BBB National Programs website.

Below is a compilation of the direct selling companies that were the subject of 2023 DSSRC Administratively Resolved Inquiry Summaries, along with a short statement from several companies that chose to furnish DSSRC with further details regarding their ongoing compliance endeavors.

- ◆ Cabi
- ◆ CBD Pure
- ◆ Changing the Future Outcome
- ◆ Chalk Couture
- ◆ Cutco
- ◆ Forever Living
- ◆ Hempworx
- ◆ Isagenix

“Maintaining compliance is a key focus for Isagenix, and we actively monitor our field to ensure adherence to our standards. Upon receiving the inquiry, we promptly addressed the problematic claims, resulting in the removal of all offending posts and videos within 48 hours. Additionally, we have used this feedback to proactively identify and rectify similar claims in the future. We extend our gratitude to the DSSRC for bringing these income claims to our attention.”

- ◆ J. Hilburn

“J.Hilburn values and upholds the principles set forth by the Direct Selling Self-Regulatory Council (DSSRC). We understand the importance of maintaining accurate and transparent information within the direct selling industry. In response to the DSSRC’s investigation, we have taken immediate action by reaching out to all individuals associated with the flagged social

media posts, urging them to remove any misleading claims. We remain committed to diligently pursuing the removal of any false claims made by current or former stylists representing J.Hilburn. Our ongoing efforts include continuous monitoring of social media platforms to identify and address any potential violations promptly. J.Hilburn is dedicated to fostering an environment of compliance and ethical business practices among our stylist community. We emphasize the importance of accurate income claims and pledge to work collaboratively with the DSSRC to rectify any concerns raised. Our commitment to industry self-regulation remains unwavering, and we will continue to take proactive measures to ensure the accuracy and integrity of information shared by our stylists.”

- ◆ L’Bri
- ◆ LifeWave

“LifeWave is committed to being an exemplary corporate citizen by striving to promote only the best business practices at the corporate and brand partner levels. In recognizing the vital importance of maintaining compliance with regulatory standards, LifeWave continually focuses its efforts on bolstering its compliance personnel and internal resources, updating and maintaining its Policies & Procedures to reflect current regulatory needs, utilizing top compliance monitoring systems and platforms, and developing compliance training programs and tools to provide its Brand Partners with clear guidance for a deeper understanding of best practices.”

- ◆ Limelife by Alcone
- ◆ Mannatech

“On October 13, 2023, Mannatech was informed of a DSSRC inquiry regarding 7 problematic social media posts disseminated on Facebook, TikTok, YouTube, and LinkedIn by company salesforce members (“Associates”). Upon receiving this notification, the Mannatech compliance team took immediate action to remove all the problematic posts. Mannatech was successful in removing 6 of the 7 social media posts. The only post remaining is from a former Associate in our South African market. Mannatech attempted to contact the individual via phone call, email, and Facebook messenger but to date, has not received a response and has been unable to have the post removed. Since the individual refuses to comply with the company’s requests, Mannatech’s compliance team reached out to Facebook notifying them that the remaining post contains unauthorized income claims and requested its removal. To date, we have not received a response from Facebook.”

- ◆ NewAge/Ariix
- ◆ Nikken
- ◆ Norwex
- ◆ Organo Gold

Organo appreciates the efforts and additional security of the DSSRC and we recognize and embrace the oversight. Organo and its Compliance Department are committed to working together, continuing to protect the reputation of the industry for independent business owners as well as customers. We have increased our global outreach and compliance training as we navigate international regulations and are steadfast in our messaging to adhere to our policies and procedures.”

- ◆ Paparazzi
- ◆ PM International
- ◆ Princess House
- ◆ QuiAri
- ◆ Red Aspen

“Red Aspen is pleased to know that its compliance effort is working, effective and the compliance manager is doing a fantastic job! Of the five incidents recently reported by DSSRC, Red Aspen addressed and resolved four BEFORE they were reported to the company by DSSRC! The fifth incident was never identified by Red Aspen’s compliance software, but when asked, the perpetrator willingly removed her post.”

- ◆ Regalware

“Regal Ware is deeply committed to cultivating an ethical salesforce dedicated to building and nurturing trust in all our interactions. We prioritize this commitment through continuous improvement efforts and strict accountability measures. Our approach includes comprehensive training programs, continuous monitoring, frequent audits, and open, honest dialogues with our salesforce. Upholding ethical conduct and unwavering adherence to company policies and regulations are core values our company steadfastly embraces.”

- ◆ Rexair
- ◆ Sabika
- ◆ Saba
- ◆ Scentsy

“Scentsy appreciates the guidance and help in identifying problematic behaviors in our independent sales force provided by the DSSRC. Despite a robust training program, active field monitoring, corrective actions taken by our internal compliance team, occasionally DSSRC locates online posts that have not yet been identified by Scentsy’s compliance team. In 2023, DSSRC helped Scentsy by identifying seven problematic posts making income claims by Independent Scentsy Consultants. Each of these posts included an income claim without making adequate disclosures or including disclaimers. Three posts appeared on Facebook or Facebook stories. Two of the three Facebook posts were duplicates. A fourth post was a screen shot of one of the Facebook posts appearing on another website (loom). Two different Scentsy consultants, Brooke Balduck and Martha Murray made these posts. After contact by the Scentsy compliance team, Martha removed her posts. Brooke attempted to update her posts with income disclosure and other disclaimers, but also eventually removed the posts after additional guidance. Two of the remaining posts appeared in YouTube videos, made by Chloe Cox and Autumn Hanson. Autumn and Chloe altered these posts when contacted by Scentsy compliance to add income disclosure statements and disclaimers. The final post identified by DSSRC appeared on Pinterest and was made by a former consultant, Cassandra Remier. Although she no longer sell Scentsy products, Scentsy’s compliance team contacted Cassandra and requested that she remove the post and reminded her that some obligations (such as not making misleading income statements) survive the termination of her sales contract. Scentsy maintains a list of independent consultants contacted by its compliance team, its outside monitoring resources, or DSSRC to ensure that there are not repeat offenders.”

- ◆ Signature HomeStyles

“Signature Homestyles appreciates the Direct Selling Self-Regulatory Councils organization’s role, governance, and insight. It is imperative to Signature Homestyles that we and our contractors do not publish or otherwise communicate anything regarding our business model that could be interpreted as misleading. We strive to be as transparent as possible to create a fair and equitable opportunity for our selling organization. Thus, we coach and enforce these guidelines within our organization and its contractor salesforce on an ongoing basis.”

- ◆ Sipology

- ◆ Surge 365

“Surge365 endorses the DSSRC’s efforts to ensure ethical practices in our marketplace. Surge365 has a comprehensive compliance program designed to prevent and mitigate compliance infractions. The DSSRC’s efforts ensure a level playing field in this arena.”

- ◆ Tastefully Simple

“Tastefully Simple welcomes the oversight on the DSSRC. If issues of concern arise, Tastefully Simple reaches out to the consultant to address the specific situation and, where appropriate, provides ongoing training and information sharing on key issues of importance. Further, Tastefully Simple provides pre-approved templates and marketing materials for consultants which meet or exceed the DSSRC standards.”

- ◆ Talk Fusion

- ◆ The Happy Company

- ◆ Thirty-One Gifts

“Thirty-One Gifts understands the importance of DSSRC’s role and we are grateful that it provides a valuable mechanism for self-monitoring in the Direct Selling industry. We join with the DSSRC in supporting, promoting, and maintaining the highest levels of truthful messaging in our industry. We also understand the importance of ensuring that income and lifestyle representations are truthful, accurate, and, when necessary, contain appropriate disclosures. To that end, when DSSRC brought to our attention eleven (11) social media posts by our distributors.”that were incongruent with these philosophies, we immediately took action, and all posts were deleted in less than a month.

- ◆ Total Life Changes

“Total Life Changes (“TLC”) appreciates that DSSRC flagged certain social media posts made by former and current salesforce members that violated TLC’s policies and procedures. TLC employs robust training, monitoring, and enforcement procedures and had already identified most of the claims for removal prior to DSSRC’s inquiry. TLC is committed to compliance and enhancing the industry’s commitment to self-regulation to ensure truthful, accurate, and non-misleading advertising.”

- ◆ Touchstone Essentials

“Touchstone Essentials takes its responsibilities to consumers and regulators seriously. The prevalence of social media and the ability for any consumer to create a post about a product presents unique challenges for direct sales companies. To meet this challenge, we partnered with Field Watch, a direct sales compliance monitoring platform. We continue to proactively examine online activity for potential claims and our Compliance team makes every effort to resolve any issues in a timely manner.”

- ◆ TruAura Beauty

- ◆ Vollara

- ◆ Wine Shop At Home

- ◆ Zyia

“Zyia Active LLC (hereinafter “Zyia”) takes its compliance matters seriously and in relation to the administrative action submits that as part of its compliance efforts at that time, Zyia contracted with a third-party compliance company, Field Watch, to assist in monitoring its field representatives. Unfortunately, Field Watch failed to notify Zyia in a timely manner of a few income claims that were online. Zyia’s own compliance department, once notified immediately, contacted the representatives and the sites were removed as part of Zyia’s ongoing compliance efforts. Zyia continues to utilize its own personnel to monitor representative activities.”

About the Direct Selling Self-Regulatory Council

The Direct Selling Self-Regulatory Council (DSSRC), a division of BBB National Programs, provides independent, impartial monitoring, dispute resolution, and enforcement of product claims and income representations made by direct selling companies and their salesforce members across digital platforms. The DSSRC seeks to establish high standards of integrity and business ethics for all direct selling companies in the marketplace.

About BBB National Programs

BBB National Programs is where businesses turn to enhance consumer trust and consumers are heard. The non-profit organization creates a fairer playing field for businesses and a better experience for consumers through the development and delivery of effective third-party accountability and dispute resolution programs. Embracing its role as an independent organization since the restructuring of the Council of Better Business Bureaus in June 2019, BBB National Programs today oversees more than a dozen leading national industry self-regulation programs, and continues to evolve its work and grow its impact by providing business guidance and fostering best practices in arenas such as advertising, child-directed marketing, and privacy. To learn more, visit bbbprograms.org.