



April 30, 2019

**VIA EMAIL AND OVERNIGHT MAIL**

Peter C. Marinello, Director  
Direct Selling Self-Regulatory Council  
112 Madison Avenue, 3<sup>rd</sup> floor  
New York, NY 10016  
[REDACTED]

Re: Illegal Income Claims by Team National, Inc.

Dear Peter:

We write to file a complaint with the Direct Selling Self-Regulatory Council against Team National, Inc., a Florida-based multi-level marketing company that sells discounts for a variety of third-party products and services.

For years, Team National and its distributors have been using – and continue to use – deceptive, atypical, and unsubstantiated income claims to market the Team National business opportunity. Such marketing materials include claims of participants quitting their jobs, becoming stay-at-home parents, traveling the world, and buying homes, vacation properties, and luxury vehicles, among other things. These claims are especially egregious given that Team National’s 2017 and 2018 Income Earnings Disclosures make clear that the vast majority of the company’s “eligible” distributors – 88 percent – received no income at all and the average earnings for all Team National distributors was about \$600 each year.<sup>1</sup>

TINA.org has collected more than 250 examples of exaggerated income claims, many of which are posted on company-owned websites, including [www.teamnationalsuccess.com](http://www.teamnationalsuccess.com), [www.livingteamnational.com](http://www.livingteamnational.com), <https://www.teamnationalusa.com/>, and [www.saveandearnmore.com](http://www.saveandearnmore.com), as well as the company's official YouTube page.<sup>2</sup> As of April 2019, all but two of these claims – or 99 percent – are still in publication, despite TINA.org notifying the company – and the DSA – of this deceptive marketing issue in December 2017,<sup>3</sup> and despite Team National's assurances that it "take[s] very seriously the allegations in the letter forwarded to us and are seriously investigating these claims."<sup>4</sup>

All 250+ examples of Team National's unsubstantiated income claims are available at <https://www.truthinadvertising.org/team-national-income-claims-database/> and on the enclosed flash drive.

It is important to note that TINA.org's database includes statements made directly by Team National's President and CEO, Angela Chrysler. For example, in one Team National video, Angela Chrysler proudly tells consumers,

Hello, my name is Angela Loehr Chrysler, president and CEO. I am thrilled to share with you how through a simple referral system you can live the life of your dreams and have more choices and how you spend your time and your money. In 1997, my father developed our membership savings program. I share his dream to create more six and seven figure income earners than any other company in our industry and we are well on our way. .... As a Team National independent representative, you can own your own business, be your own boss, and can create an incredible income without a big investment. No products, no employees, and no inventory.<sup>5</sup>

In another Team National video – Road to Financial Freedom 2019<sup>6</sup> – which also features Ms. Chrysler, as well as numerous Team National distributors, the company makes several more deceptive income claims.



These claims include, among others,

[Tyler K.]: I've been in the financial services industry for 18 years and what I found is that most people haven't saved enough for retirement or have way too much debt. With Team National, what we've found is that not only can you save enough for retirement but you can get out of debt in a short period of time.

[Wayne Wilson:] We were multiple business owners for years but in reality our businesses owned us. Thanks to the income from Team National, in just nine short months, we were able to walk away from those businesses and get our time back.

[Voice over:] ... as a Team National IMD, you own your own business and can create an incredible income without a big investment, no employees, and no inventory.

[Jay Bruce:] We were introduced to Team National in our 20s and the first 90 days, we were making twice as much money from Team National than I was making as a high school basketball coach. We had no background in business, I wasn't sure if we could do this or not, but with the help of a team, it was no big deal. Trust me. If we can do it, you can do it.

[Shelley Prince:] In our first thirty days, we .... got a \$1,500 check and that helped us pay for our daughter's private school tuition.

[Eliza Dezelle:] As a result of the time and energy we've devoted to Team National, we're now in the top 2% of income earners for the state of South Carolina.

[Adam Dezelle:] We're just ordinary people living an extraordinary lifestyle.



Screen shots from the Road to Financial Freedom 2019 video

The above excerpts and images are typical of the more than 250 examples of Team National marketing materials that make exaggerated and deceptive income claims.<sup>7</sup> Put simply, the internet is littered with these types of income claims. And though some of the company's marketing materials include language to indicate that the results depicted are not typical,<sup>8</sup> Team National's disclaimers are legally insufficient as none of them clearly or conspicuously disclose what typical participants earn (i.e., nothing) and none of them are placed in a conspicuous location.<sup>9</sup>

In short, Team National was put on notice of this serious deceptive marketing issue well over a year ago, has done nothing to address the issue, continues to deceive consumers with outrageous income claims, and is trying to cover its tracks with a disclaimer that is legally and practically ineffective. As such, TINA.org strongly urges the DSSRC to review the claims being made by Team National and its distributors and take appropriate action.<sup>10</sup>

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.

Encl.

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<sup>1</sup> Team National 2017 Income Earnings Disclosure, <https://www.truthinadvertising.org/wp-content/uploads/2019/04/Team-National-Income-Earnings-Disclosure-2017.pdf>; Team National 2018 Income Earnings Disclosure, <https://www.teamnationalusa.com/Income-Earnings-Disclosure.pdf?v=2018>.

<sup>2</sup> Who Is results for Team National-owned websites, [https://www.truthinadvertising.org/wp-content/uploads/2018/06/Team-National-owned-websites\\_-Who-Is-Results.pdf](https://www.truthinadvertising.org/wp-content/uploads/2018/06/Team-National-owned-websites_-Who-Is-Results.pdf); Team National YouTube page, <https://www.youtube.com/channel/UCi88T176iXu9cnfqPHt7Zhw>.

<sup>3</sup> December 18, 2017 letter from TINA.org to Team National, [https://www.truthinadvertising.org/wp-content/uploads/2018/06/12\\_18\\_17-Team-National-Notification-Letter.pdf](https://www.truthinadvertising.org/wp-content/uploads/2018/06/12_18_17-Team-National-Notification-Letter.pdf). At the time TINA.org notified Team National in December 2017, TINA.org had collected more than 80 examples of deceptive income claims. As of June 2018, all of the claims were still up on the internet, and TINA.org found more than 100 additional deceptive income claims made by the company and its distributors, for a total of more than 200 examples. In 2019, TINA.org added another 60+ examples of deceptive Team National income claims. Of these more than 250 total examples, only two have been removed as of April 2019.

<sup>4</sup> Team National's December 20, 2017 letter to TINA.org, <https://www.truthinadvertising.org/wp-content/uploads/2018/02/Team-National-DSA-income-response-12-20-17.pdf>.

<sup>5</sup> Team National's Road to Financial Freedom YouTube video, <https://www.youtube.com/watch?v=OtzMRZKYiws>.

<sup>6</sup> <https://www.youtube.com/watch?v=qjo01oqqWR0>.

<sup>7</sup> Other examples include:

“What an exciting time to be a part of Team National. To have the time freedom, no credit card debt, substantial quality and quantity time with our grandchildren, take several vacations a year, and be able to give abundantly to charity.”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Ray-Judy-Eddleman>.

“In the first few months, Team National replaced my salary, allowing me to come home and raise our son, Chris.” <http://www.teamnationalsuccess.com/TeamNational/Platinum/Tony-Maggie-Grasso>.

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“As our journey in Team National has unfolded, the additional income has been there for us as a family. A big part of that decision has allowed to take many family vacations.”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Tim-Shelly-Jackson>.

“If you are interested in earning money, Team National is for you. Share our benefits package with your family and friends, and your income potential with Team National’s compensation plan is unlimited.” <http://www.teamnationalsuccess.com/TeamNational/Platinum/Randy-Judy-Klock>.

“We have saved our membership money back several times, and working part-time we have made a full-time income every year since we joined, while helping others do the same. It has been a godsend for our family.” <http://www.teamnationalsuccess.com/TeamNational/Platinum/Mark-Cheryl-Malkemus>.

“We started sharing Team National’s Road to Financial Freedom with family and friends, strictly on a part-time basis. By doing so, I was able to earn more with Team National than I was earning annually at my job. Then, I made a decision to ‘fire the boss’ and make Team National my new career.” <http://www.teamnationalsuccess.com/TeamNational/Platinum/Donnie-Rita-Starkey>.

“Today we have a life we never dreamed of seven short years ago. It has allowed us to build up our retirement accounts and pay off the debts on over a half-million in assets.”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Dean-Jennifer-Marsh>.

“Because of the income side of this business, we were able to close our restaurant, and walk away from that investment to work this business full time. We are stay at home full time parents and grandparents. Not only do we have time freedom, but we have financial freedom.”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Terry-Pam-McAffrey>.

“We did this part-time with significant income results in just weeks. This gave us choices. We sold our trucking company and Cindy retired from her job. We were left with extra time and money.” <http://www.teamnationalsuccess.com/TeamNational/Platinum/Jerry-Cindy-Morgan>.

“We had gone for over 15 years without taking a vacation and we had never been on a cruise. Today, we are averaging at least a half dozen vacations a year with our family.”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Roy-Pat-Manley>.

“[O]n a part-time basis, we created an organization that put us into financial freedom. It also allowed us to semi-retire and do this business out of the comfort of our home (which we paid off five years early). We are now debt free!”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Mike-Sheila-Atkinson>.

“In our fourth month, we made twice as much part-time with Team National as Dee Dee was making with her full-time job. We made the decision to bring her home at that point, so now she gets to ‘roll over instead of roll out!’”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Mike-Dee-Dee-Vaughn>.

“Instead of working 60- 80 hours per week at a job that would have never provided all that we wanted for ourselves, we sold our HVAC business and now we have fun and enjoy ourselves while traveling together, while helping others do what we have done.”  
<http://www.teamnationalsuccess.com/TeamNational/Platinum/Jerry-Lou-Boschert>.

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“When we got started with Team National, to our surprise, we made our first check in the first week, we replaced my monthly school district check in the fifth month.”

<http://www.teamnationalsuccess.com/TeamNational/Platinum/Bryan-Norma-Clark>.

“Sharing this very part-time we were able to match Ginger’s teaching salary in the first month. The income has continued to grow and allowed us to send both of our sons to college, and develop a track of land near a local resort. It has also allowed both of us to retire early and spend our time helping others pursue excellence through Team National.”

<http://www.teamnationalsuccess.com/TeamNational/Platinum/Mark-Ginger-Jordan>.

“By sharing this part-time around our busy schedules, we created an income that allowed Codi to walk away from that 14-year career in January 2017 and "retire" at 35. Team National has given us the time and financial freedom to do things and have choices that otherwise would have never been possible.” <http://www.teamnationalsuccess.com/TeamNational/Platinum/AI-Codi-Konesheck>.

<sup>8</sup> Example of a Team National webpage disclaimer found at the very bottom of the page:

This information is not intended to represent typical, actual or average savings or earnings. Actual earnings results by an Independent Marketing Director (IMD) will depend on the time and effort devoted to building the business. We do not guarantee success or earnings. Click for the <a href="#">Income Earnings Disclosure</a> .
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<http://www.teamnationalsuccess.com/TeamNational/Eagle/Brad-Kristin-Barton>.

Examples of Team National disclaimers briefly shown in some company videos include, among others:



<sup>9</sup> If Team National fails to advertise results that are typical or representative of what consumers will generally achieve with the company, as Team National has done and is doing, then it must make clear the amount earned or lost by most participants. *See* FTC Business Guidance Concerning Multi-Level Marketing, available at <https://www.ftc.gov/tips-advice/business-center/guidance/business-guidance-concerning-multi-level-marketing>; FTC Guides Concerning the Use of Endorsements and Testimonials in Advertising, available at <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>. *See also* FTC “Redress checks and compliance checks: Lessons from the FTC’s Herbalife and Vemma cases,” available at <https://www.ftc.gov/news-events/blogs/businessblog/2017/01/redress-checks-compliance-checks-lessons-ftcs-herbalife> (“[I]t’s unwise for MLMs to make earnings claims – expressly or by implication – that don’t reflect what typical participants achieve.”).

The disclaimers that accompany some of the Team National marketing materials do not meet this legal requirement, for a number of reasons.

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First, simply telling consumers that the results are not typical or indicating that the represented experience is not indicative of what consumers may generally expect to achieve has, as the Commission knows, not been effective and is therefore insufficient. *See* FTC Guides Concerning the Use of Endorsements and Testimonials in Advertising. *See also* *FTC v. Vemma Nutrition Co.*, Order on FTC’s Motion for Preliminary Injunction, dated Sept. 18, 2015, 15-cv-01578 (D. Ariz.) (“a material omission as to income potential, such as a failure to disclose that the structure of a program ensures that the vast majority of consumers cannot achieve substantial income, is deceptive under the FTC Act. The ‘common-sense net impression’ of representations controls. Thus, representations may be misleading despite the use of a disclaimer such as ‘results may vary’ if the consumer may reasonably believe that a statement of unusual earning potential represents typical earnings.”) (internal citations omitted).

Second, simply including a link to Team National’s Income Earnings Disclosure in an inconspicuous location, as is the case in some of the company’s marketing materials, is not sufficient. *See* FTC’s .com Disclosures, <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-staff-revises-online-advertising-disclosure-guidelines/130312dotcomdisclosures.pdf>. *See also* *FTC v. California Natural, Inc.*, Docket No. 9370, Opinion of the Commission, dated Dec. 5, 2016, available at [https://www.ftc.gov/system/files/documents/cases/161212\\_docket\\_no\\_9370\\_california\\_naturel\\_o\\_pinion\\_of\\_the\\_commission.pdf](https://www.ftc.gov/system/files/documents/cases/161212_docket_no_9370_california_naturel_o_pinion_of_the_commission.pdf) (finding, among other things, that that a disclaimer that is well removed from proximity to the marketing claim it qualifies does not change the net impression conveyed to consumers).

Third, Team National cannot suggest, as it has done in places, that financial failure is due to participants’ failure to devote enough effort. *See, e.g.,* *FTC v. Vemma Nutrition Co.*, Stipulated Order for Permanent Injunction and Monetary Judgment, dated Dec. 15, 2016, 15-cv-01578 (D. Ariz.) (“In connection with the advertising, marketing, promoting, or offering of any Business Venture, [Defendants] are permanently restrained and enjoined from...[m]isrepresenting...[t]hat participants who do not earn significant income fail to Devote substantial or sufficient effort.”); *FTC v. Herbalife Internat’l of Am., Inc.*, Stipulation to Entry of Order for Permanent Injunction and Monetary Judgment, dated July 14, 2016, 16-cv-0 (C.D. Cal.) (“It is further ordered that Defendants..., in connection with the advertising, marketing, promoting, or offering of any Business Venture, are permanently restrained and enjoined from misrepresenting...[t]he reasons participants do not earn significant income, including but not limited to representations that participants fail to devote substantial or sufficient effort...”).

Finally, not only are the disclaimers legally ineffective, but their placement – e.g., at the very bottom of long webpages, at the beginning or end of videos – is such that the vast majority of consumers will never see them. *See* .com Disclosures: How to Make Effective Disclosures in Digital Advertising.

<sup>10</sup> In June 2018, TINA.org filed complaints regarding Team National’s marketing with the FTC and the Florida Attorney General’s Office. While those complaints are posted on TINA.org’s website ([https://www.truthinadvertising.org/wp-content/uploads/2018/06/6\\_14\\_18-letter-to-FTC-re-Team-National\\_Redacted.pdf](https://www.truthinadvertising.org/wp-content/uploads/2018/06/6_14_18-letter-to-FTC-re-Team-National_Redacted.pdf)) and [https://www.truthinadvertising.org/wp-content/uploads/2018/06/6\\_14\\_18-letter-to-FL-AG-re-Team-National\\_Redacted.pdf](https://www.truthinadvertising.org/wp-content/uploads/2018/06/6_14_18-letter-to-FL-AG-re-Team-National_Redacted.pdf)), TINA.org will not be publishing this challenge to the DSSRC pending the Council’s investigation and decision, per DSSRC’s request.