



June 5, 2017

VIA EMAIL

Susan Adams Loyd
President and CEO
BBB of Minnesota and North Dakota
220 S. River Ridge Cir.
Burnsville, MN 55337
[REDACTED]

Richard Woods
Vice President, General Counsel
Council of Better Business Bureaus
3033 Wilson Blvd, Suite 600
Arlington, VA 22201
[REDACTED]

Re: BBB's A+ Rating of DealDash, Inc.

Dear Ms. Loyd and Mr. Woods:

I am writing to inform you of several issues concerning DealDash, Inc., a Finnish company with offices in Minnesota, that operates a penny auction website that currently has an A+ rating with the BBB.¹

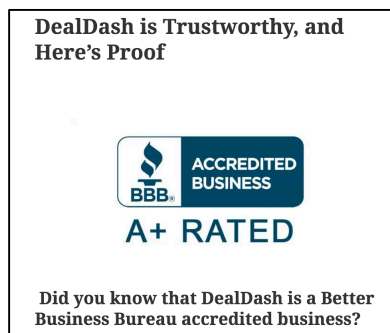
Specifically, a TINA.org investigation has revealed that DealDash's marketing deceives consumers in the following ways:

- it advertises savings on purchased auctioned items without adequately disclosing the true out-of-pocket cost for obtaining the products.
- it uses consumer testimonials touting atypical savings on product purchases without clearly and conspicuously disclosing that DealDash customers typically lose money on the auction site.
- it promotes a perpetual sale on the purchase of bid packs (a required purchase in order to bid on products).

- it fails to disclose its ownership interest in certain products that are advertised and auctioned on DealDash.com.
- it promotes a 100% money back guarantee refund policy without adequately disclosing the significant restrictions of the policy.

DealDash uses these deceptive marketing tactics to lure consumers to its website with promises of easily won bargains, but what it fails to disclose is that DealDash is operating a form of gambling whereby consumers are paying the company for chances to win products. This practice – charging for chances to win – is illegal.

Consumers rely on BBB ratings to help them assess the trustworthiness of a company. As one consumer stated about DealDash, “I trusted them because of your (BBB) ratings, to be honest.” An A+ rating provides a clear signal that DealDash has the BBB’s stamp of approval. As DealDash’s blog states, “DealDash is Trustworthy, and Here’s Proof.”²



Consumers doing business with DealDash, however, are being harmed by its deceptive marketing tactics and gambling operation.

We trust the BBB will re-evaluate its rating of DealDash and do whatever else is necessary to dispel the notion that the BBB fully supports DealDash’s illegal scheme and deceptive marketing practices.³

If you have any questions or would like further information about our investigative findings, please do not hesitate to contact me.

Sincerely,



Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.

Cc: Pasi Lohi, CEO, DealDash Inc.,
Susan Pravda, Foley & Lardner LLP
Michael Tuteur, Foley & Lardner LLP

¹ <https://www.bbb.org/minnesota/business-reviews/internet-auction-service/dealdash-inc-in-minneapolis-mn-96551808>.

We have put the company on notice and have filed formal complaints with the Federal Trade Commission, as well as the Attorneys General for Minnesota, New York, Connecticut, Pennsylvania, Massachusetts, and the District of Columbia, which are all available at <https://www.truthinadvertising.org/dealdash-summary-of-action>.

² <https://dealdashblog.com/2016/02/13/dealdash-is-trustworthy-and-heres-proof/>.

³ This is not the first time TINA.org has brought this type of issue to the BBB's attention. *See, e.g.*, March 2013 letter from TINA.org to BBB re NourishLife, LLC (<https://www.truthinadvertising.org/wp-content/uploads/2016/02/3.27.13-letter-to-BBB-signed.pdf>); May 2013 letter from TINA.org to BBB re Resorts360 Vacation Club (<https://www.truthinadvertising.org/wp-content/uploads/2016/02/Resorts360-letter-to-BBB-signed-copy.pdf>); December 2013 letter from TINA.org to BBB re TEFL Institute (<https://www.truthinadvertising.org/wp-content/uploads/2013/12/Letter-to-BBB-on-TEFL-Institute-Rating.pdf>); July 27, 2015 letter from TINA.org to BBB re Vemma Nutrition Company (link not available); January 2016 letter from TINA.org to BBB re Quincy Bioscience (<https://www.truthinadvertising.org/wp-content/uploads/2016/01/Ltr-from-TINA-to-BBB-re-Quincy-Bioscience-Redacted.pdf>); January 2017 letter from TINA.org to BBB re Quincy Bioscience (https://www.truthinadvertising.org/wp-content/uploads/2017/01/1_9_17-ltr-from-TINA-to-BBB-Redacted.pdf); TINA.org's "Grading the BBB: Ratings After FTC Actions" (<https://www.truthinadvertising.org/grading-bbb-ratings-ftc-actions/>).