



From the Office of the
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VIA email and Fed Express Courier and First Class Mail

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RE: Your letter of April 5, 2016 and your website

Dear Ms. Smith:

This letter is to respond to yours of April 5, 2016, and to the Truth-in-Advertising website section about Kyäni, currently located at <https://www.truthinadvertising.org/what-you-should-know-about-kyani/>. Kyäni actively works to provide efficacious products and a great income opportunity for customers and Distributors. Our reputation is important to us, and we have dedicated compliance teams in the US, Europe, and Asia that do their best to police the claims being made by Distributors on the Internet and elsewhere.

However, as you know, the Internet is a big place, and it is difficult to root out every inappropriate claim being made by a Distributor. That is especially difficult in Kyäni's case because Distributors who have a great experience with the products often want to share that experience. Although Kyäni has robust policies against inappropriate claims which we try hard to enforce, despite our best efforts, Distributors may not understand those policies or the difference between correct and incorrect ways of describing their experiences. Part of the Kyäni compliance effort includes mandatory Distributor compliance training coupled with corporate working to ensure those improper claims are removed and appropriate actions taken with Distributors.

So I would like to thank you for bringing some instances to our attention in which Distributors may have gotten carried away in their enthusiasm for Kyäni and its products. I have provided the links in your report and website to our compliance team and they are working to see that these Distributors remove any claims or testimonials that we conclude are misleading or potentially problematic under the law. That process is well underway – with some compliance demands already sent to Distributors – and we expect to complete going through your lists in the next week. In addition, we have found that some of these links are to long-canceled Distributors. Of course that is not the end to our compliance efforts as the compliance team continues to search for and resolve issues.

There are some portions of your website, however, that simply get the facts wrong or mislead the public about what the facts are.

Native Alaskan Language Issue

When the founders of Kyäni started the company, they looked up words in native Alaskan languages, looking for a word that had a meaning related to the health and wellness products whose potential they had identified, had a nice look and feel, and could be trademarked. They chose “Kyäni” because it was a modified version of a word they believed meant, among other things, “strong medicine.” They did not ask a Tlingit or other Native Alaskan speaker how that speaker would say “strong medicine,” and have never claimed they did so, although they still believe that “strong medicine” is an adequate translation of “Kyäni” in one or more Native Alaskan languages. Regardless, this definition is something Kyäni stopped using in any corporate marketing materials as of December 2012 or before – over 3 years ago.

Scientific Advisory Board

Kyäni’s scientific advisory board is composed of professionals. The criticisms made about the board on the TINA website are not made by anyone comparably qualified so far so we can tell. For example, Dr. Qutab, along with every medical doctor or scientist, is entitled to have an informed opinion about dietary supplements and to believe and express the belief that the world would be better off with natural remedies rather than medicines if natural remedies could be used. One might disagree, but the validity of that opinion would depend on the knowledge of the person making it, and neither Dr. Qutab nor Kyäni has ever advocated Kyäni products as a replacement for medication.

Further, despite TINA’s implication otherwise, Kyäni has provided the public with extensive, peer-reviewed research on the ingredients in Kyäni’s products. This information is cited in detail in Kyäni’s white papers. Dr. Qutab’s statement refers only to the fact that Kyäni *itself* has not published peer-reviewed research. But the TINA website deliberately implies that none *exists*.

Your statement that Kyäni’s white papers “do not reliably support its claims” is also misleading, because you appear to be referring to claims made by third-party Distributors in violation of Kyäni’s policies and procedures, as though they are *Kyäni’s* claims. There is in fact substantial, peer-reviewed, and reliable scientific support for the claims actually made by Kyäni and for the materials in its white papers.

Recruiting Allegations

Kyäni has fully cooperated with the Swedish gaming board in its investigation. Based on what Kyäni has learned, the gaming board’s concerns are purely technical and do not materially affect anything Kyäni is doing. In fact, all that was required to satisfy the Swedish authorities was a modification to the enrollment process – which was implemented this week. With this modification, we fully expect the Swedish notification to be removed in the next few weeks. As for other recruiting-based

concerns, recruitment of new Distributors and customers is indisputably an important part of network marketing, and Kyäni is no exception. However, recruiting is important *only* because recruiting new Distributors and customers leads to *more sales* and therefore *more commissions*. It is *always* the sale of an actual product to an actual consumer that triggers commissions for Distributors and profits for Kyäni. Neither Kyäni nor any Kyäni Distributor has ever made a dime without the purchase by a consumer of a Kyäni product.

Eastern Europe Allegations

Kyäni has been very successful in Eastern Europe and fully cooperates with authorities there and throughout the world. Kyäni did the same with Hungarian authorities and was able to quickly resolve the matter with its Distributors. It was because of this cooperation that the matter was so easily resolved. And the Estonian situation was a simple matter of an ingredient approved in the U.S. not being approved in Europe. It has also been resolved. The formula was modified and the adjusted product is in market and fully complies with local and EU regulation. TINA's website is misleading to the extent that it implies otherwise.

"Lifestyle" Claims

As we have gone through some of the links you provided related to alleged income claims, we have found that in many cases the links are "lifestyle" videos or pictures that violate Kyäni policy because they lack the customary link to the publically available Kyäni Income Disclosure Statement. We are requesting the immediate remedy of those cases by the addition of the link to the disclosure statement in the post or video.

Income and Related Disclosures

Kyäni's income disclosure statement only addresses active Distributors because it would be misleading to include Distributors who are no longer with Kyäni. However, TINA sarcastically implies that Kyäni deliberately chose only top Distributors for the disclosure in an effort to deceive, when in fact Kyäni simply excluded inactive and cancelled Distributors because to include them would falsely imply that they continue to be associated with Kyäni. Your attempt to calculate the income of the "bottom 75%" contains no explanation of how you "estimated" the incomes of these Distributors, and is also false and misleading because it *only* includes inactive Distributors—none of whom is still with Kyäni—and thus implies that the *inactive* Distributors are somehow a better gauge of the Kyäni opportunity than those who remain active.

Kyäni's car bonus program is not false or misleading just because it takes work to achieve it. Many Kyäni Distributors participate in the car bonus program every month. And while Sapphire rank can take time for some, it is clearly an "early rank," which can be achieved in as little as three days. The median time to the rank of Sapphire is less than two months. All of these facts are clearly disclosed on the Kyäni Income Disclosure Statement. In fact, despite your claims otherwise, complete information is provided on the Kyäni Income Disclosure Statement. This includes a full definition of terms and full



information of ranks and earnings – from average / median / high / low earnings and time to achieve rank including longest / shortest / median and average. Kyäni hides nothing on its disclosure and provides complete information to understand the potential (or not) of Kyäni earnings.

Your website also inaccurately portrays that a potential Distributor is forced to purchase a high-priced starter pack. That is simply not true. There are several starter packs to choose from – including a forty dollar starter pack that allows a person to become a Distributor with full rights as a Distributor without any other commitments. In your comments you also imply that product purchases are a cost and hence a Distributor loses money unless they are a top rank. This ignores the fact that many people enroll with the sole purpose of consuming the products purchased at the lowest Distributor pricing. These people are consumers of a great product and are not “losers.”

Kyäni’s Distributor contractual relationships are similar to those of almost any company in the industry. Kyäni Distributors are paid, some highly paid, to share the Kyäni products and the Kyäni opportunity. Again, as stated previously, there are no commissions except on product sales. Both Kyäni and its Distributors benefit from clear rules and expectations going in. And Kyäni’s return policies for Distributors and customers are sufficiently clear for any average consumer to understand them.

Website Graphics

While you certainly have the right to make your allegations (even if some are misleading) and use representative pictures, it is not appropriate to take a registered trademark, in this case the Kyäni logo, and add something to it, in this case “INVESTIGATED.” In addition, the image you altered is the copyrighted property of Kyäni, used without proper permission. Please remove / alter that image. Additionally, I trust that you will now remove the comment at the bottom of your website allegations that states that Kyäni did not respond to your allegations. Indeed, the only reason you did not get a response to your March 28 letter by the time you requested it was that your letter of March 28 offered no specifics whatsoever. There is no way for Kyäni to take action to correct generalized allegations of misconduct by its Distributors with no further information.

In summary, I do thank you for the links that we had not already located in our compliance process. As I stated above, we are already addressing those on the list and will continue through the entire list. I will also update you as we go through those. Even though there may be some differences of opinion on specific compliance events, compliance is critical to Kyäni. If you would like to talk with me about any of the above responses, I would also be glad to do that.

Regards,



Michael Breshears
Kyäni CEO