

December 14, 2016

## **VIA CERTIFIED MAIL NO. 7004 1350 0003 7769 4004**

Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.
P.O. Box 927
Madison, Connecticut 06443

Re: Response to Your Letter Dated November 22, 2016

Dear Ms. Smith,

Thank you for your letter and alerting us to the unapproved claims about Mannatech's products. Mannatech takes compliant messaging about its products very seriously. Currently, Mannatech has approximately 221,000 independent distributors ("Associates") and members. Mannatech has policies and procedures that govern the conduct of our Associates ("Associate Policies"). The Associate Policies strictly prohibit our Associates from making any representation that our products treat, cure, or prevent any disease. We work diligently to train our Associates and inform our members about our products and the approved claims for those products. Mannatech routinely conducts product training for our Associates which describes in detail the approved, substantiated claims for our wellness, skin care, and home products. We also conduct training for Associates on how to compliantly utilize social media as means to build a Mannatech business. We believe that robust training programs are the best way to curtail improper claims and thus enable our Associates to confidently and compliantly share information about our products and company.

Social media sites such as Facebook and Twitter and the internet in general, present special challenges in that regard. In the past, Mannatech utilized third-party web crawler services to help monitor the internet for improper claims about our products. Unfortunately, there was often a lag time in obtaining the results. We have since transitioned to Field Watch for our monitoring services. Field Watch is able to provide us with daily results, which we find to be a far more effective monitoring tool and often enables our compliance employees to have timely conversations with our distributors about problematic claims. In addition to Field Watch, our compliance employees routinely conduct their own internet searches and investigate instances of policy violations.

Our compliance efforts have proven to be effective in identifying and removing illegal product claims. In fact, one of the individuals making a claim cited in the health claims data base, had already been identified through our process and was the subject of a compliance investigation.

That particular Associate has been terminated and can no longer participate in the Mannatech business.

With respect to the other instances of improper claims listed in the data base, Mannatech has taken the following steps:

- 1. Where possible, we have sent a Facebook message to each poster requesting that the offending statements be removed;
- 2. Where possible, we added a disclaimer as a Facebook comment to each post stating that Mannatech products do not treat, cure, prevent, or mitigate disease; and
- 3. When privacy controls prevent contact with the poster or if the poster is otherwise unresponsive, we have contacted Facebook directly seeking its assistance in removing the improper claims from the individual's timeline.

To date, thirteen of the twenty-eight improper health claim posts have been removed from Facebook. Out of the twenty-eight posts, only eleven were Associates and bound to our Associate Policies. The other seventeen posts were made by individuals who do not have a verifiable relationship with Mannatech, which makes it more difficult to demand removal of the improper claim. Our compliance team will continue to work with Facebook with the expectation that every post be taken down. While we are open to recommendations from your organization, we reason that contacting Facebook may be our best option for removing posts by individuals who are not directly affiliated with our company.

Again, thank you for your letter and alerting us to these issues. Please be assured that our company is committed to compliant messaging regarding our products and company. Should you have additional questions, please do not hesitate to contact me.

Alfredo Bala CEO and President

Cc: Joseph Mariano, President, Direct Selling Association Jared O. Blum, Esq., DSA Code of Ethics Administration



March 13, 2017

## VIA CERTIFIED MAIL NO. 7004 1350 0003 7769 4011

Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.
P.O. Box 927
Madison, Connecticut 06443

Re: Follow-up to our Letter to you dated December 13, 2016

Dear Ms. Smith,

The purpose of this letter is to update you regarding Mannatech's efforts to remove the previously reported Facebook posts containing improper health claims.

Originally, TINA reported twenty-eight listings of improper health claims. Through our compliance team's efforts, twenty-one of the twenty-eight posts have been removed.

The final seven are posts by individuals who are not in our database of distributors or customers. Therefore, we do not have contact information for them and they are not subject to our distributor policies and procedures. Our compliance team did attempt to remove the posts by (1) submitting a post to the individual's Facebook page, where possible, stating that Mannatech products do not treat cure or mitigate disease; and (2) filing a complaint with Facebook stating that the individual is making unapproved claims and misusing our trademarks. Facebook was not responsive to our requests.

It is our understanding from statements made by Ms. Bonnie Patten, Executive Director of TINA, that it is not TINA's desire to hold companies accountable for posts made by individuals who are not distributors, employees or otherwise affiliated with the company. The only posts that remain of the twenty-eight originally reported by TINA are those made by people who are not associated with Mannatech, and we reason that the company has exhausted its efforts to remove the remaining posts.

Sincerely

Alfredo Bala

CEO and President

cc:

Joseph Mariano, President, Direct Selling Association Jared O. Blum, DSA Code of Ethics Administrator