



BEACHBODY

Decide. Commit. Succeed.®

Jonathan Gelfand
3301 Exposition Boulevard
Santa Monica, California 90404



December 19, 2016

VIA U.S. MAIL

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

RE: RESPONSE FROM TEAM BEACHBODY

Dear Ms. Smith,

We have received your letter to Carl Daikeler dated November 22, 2016 with a link to a database of claims about which you have concerns regarding our products. We are committed to being transparent with our customers and the public through truthful and lawful advertising and, therefore, always appreciate the kind of feedback that you provided to us.

As part of this commitment, we have a robust compliance program. Not only do the Team Beachbody Policies & Procedures for our 400,000+ coach distributors detail clear rules around allowable and prohibited claims (see a relevant example of this at the conclusion of this letter), which are affirmatively monitored daily by our dedicated full-time in-house six-person compliance team, but we additionally engage the services of a third party monitoring service called FieldWatch™ to constantly monitor the internet and social media postings for possible violations regarding product claims. Any that are identified are immediately investigated by our compliance team, which then contacts the distributor to have any violations removed and take appropriate disciplinary action if needed, up to and including termination of the distributor. In addition to the requirements detailed in our Policies & Procedures and among other efforts to ensure compliance with our guidelines, (a) we conduct on-going regular training for distributors with respect to our compliance requirements, both live and with online training materials; (b) we post compliance and training alerts to the distributor online office where all distributors access their accounts; (c) we provide telephone updates on compliance issues for distributor leaders; (d) personnel who interact

with our distributors are required to undergo compliance training with quarterly updates as well—more frequently if issues come up or regulations change; (e) the company’s legal department reviews all onstage presentations given at company-hosted events to make sure compliance guidelines are being followed; (f) representatives from our compliance team are frequently guest speakers on distributor team calls; and (g) our Policies & Procedures are reviewed several times each year to ensure that any new compliance requirements are addressed. We also provide our customers all necessary information regarding any of our products, including, where applicable, that our statements have not been evaluated by the Food and Drug Administration and that the products are not intended to diagnose, treat, cure or prevent any disease. Our coach distributors are required to include all of these same notices and warnings when promoting or discussing any of our products.

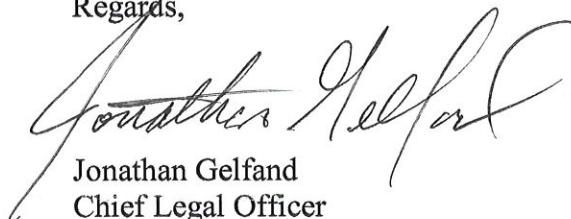
We have investigated the nineteen claims identified in your database. Six of those claims are on blogs or member journals, and all of those claims have been removed or are in the process of being removed. The remaining thirteen claims originate with distributors or other non-affiliated sources. Of those thirteen, ten were written postings and three were videos. We have contacted nine of the sources for the written postings requesting that the claims in question be taken down and five of these have already been removed and we will continue to follow-up on the remaining four (two of these are from individuals who were once but are now no longer Team Beachbody distributors, but we are, nevertheless, continuing our efforts to have these claims removed). Of the three videos, only one had an identifiable source letting us know whom to contact, and that source has agreed to remove the video. To help our remediation efforts, we would appreciate your letting us know the sources of the other two videos since your database links only to the actual video files themselves with no identifying characteristics to enable us to find the people who posted them. Finally, we do not feel that one item in your database posted under “Colon Disease” by Sarah Waters presents any issues. Ms. Waters is simply stating only that Shakeology contains a source of fiber and then lists some of the benefits that a “fiber rich diet is thought” to provide. She properly does not claim that Shakeology itself provides the specific benefits that she says a fiber rich diet is thought to offer. Accordingly, we feel that this does not violate any legal or regulatory standards.

Whether it’s safety, transparency, regulatory or any other form of compliance, we take our responsibilities to our customers and distributors very seriously and devote considerable resources to ensuring that we represent our products fairly and truthfully and follow all legal requirements. We will always push ourselves to keep improving, but we believe that we have created a culture of compliance with both our distributors and our employees so that we can better help people achieve their goals and enjoy healthy and fulfilling lives.

Laura Smith, Esq.
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Please let me know if I can provide any more detail concerning these matters as we continue to push on the remaining outstanding items, and feel free to contact me going forward with any other concerns that you might have.

Regards,



Jonathan Gelfand
Chief Legal Officer
Senior Vice President, Business Development

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

Excerpted from our coach Policies & Procedures:

Product & Testimonial Claims

No claims (which include personal testimonials) as to therapeutic, curative, or diagnostic properties of any products offered by Beachbody may be made except those specific claims contained in official Team Beachbody literature. Such claims may only be repeated or republished in exactly the same format as that published by the Company and the claim must be republished in its totality. In particular, no Coach may make any claim that Beachbody products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate Beachbody policies, but they potentially violate federal and state laws and regulations, including the Federal Food, Drug, and Cosmetic Act and the Federal Trade Commission Act. Whenever a Coach is using any Beachbody product or opportunity materials, the Coach must always include any and all notices, warnings and disclaimers provided by Beachbody. For example, when discussing supplements (including Shakeology®) and their beneficial effects, the following statement should be included: These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.