



Laura Smith <lsmith@truthinadvertising.org>

Deceptive Marketing for Jusuru International Opportunity and Products

Asma Ishaq [REDACTED]
To: Laura Smith <lsmith@truthinadvertising.org>

Tue, Jun 7, 2016 at 7:44 PM

Dear Ms. Smith,

This email will confirm my receipt of your letter dated June 6, 2016 in which you cite various individual social media posts as actual or potential noncompliance by Jusuru with truth in advertising laws and regulations. I have referred your letter and references to our compliance personnel and legal department for review and investigation. Upon further executive review of our findings, Jusuru will respond to you more fully in writing, but be assured at this juncture that Jusuru will not hesitate to take any and all appropriate action required to ensure FDA and FTC advertising compliance both at its own corporate level and by independent Jusuru distributorships on their own social media sites.

Sincerely yours,

Asma Ishaq
President
Jusuru International Inc

From: Laura Smith <lsmith@truthinadvertising.org>

Date: Tuesday, June 7, 2016 at 5:07 AM

To: ASMA ISHAQ [REDACTED]

Subject: Deceptive Marketing for Jusuru International Opportunity and Products

[Quoted text hidden]

JUSURU[®]

INTERNATIONAL

June 14, 2016

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

Re: Jusuru International Advertising

Dear Ms. Smith,

On behalf of Jusuru International, Inc. (“Jusuru”), I am responding to your letter dated June 6, 2016 regarding certain health and income claims your organization found on the internet relating to our products and company.

A. Introductory Statement

Jusuru is a direct selling company which offers Liquid BioCell[®] as the active and core ingredient in a line of nutritional supplements for skin and joint health. Our distributor agreements have strict prohibitions against the use of any form of advertising including claims, testimonials, and income statements, which are not approved by Jusuru in advance. Income and health claims training materials are widely available for distributors as recorded webinars, pdf documents in their business resources site, and updates are included in weekly newsletters.

Jusuru maintains a rigorous and robust enforcement protocol by routinely web searching currently active internet sites for noncompliant advertising. When violations are found, Jusuru has a track record of notifying its offending distributors with a demand to remove and comply or face suspension until compliant. Repeat offenders face terminations of their distributorships regardless of their time or rank as a company distributor. Jusuru also uses a neighborhood watch-type program where if one distributor observes another distributor in violation of the distribution agreement, the violation can be confidentially reported to the Jusuru corporate office. Unfortunately, while it is largely effective, the system does not identify all problematic claims concerning our products wherever and whenever they are posted by individuals and some claims do “slip through the cracks”.

B. Immediate Actions Taken

Upon receipt of your letter, as we do whenever we receive notice of improper claims, Jusuru took immediate action to investigate each of the claims listed on your website links and to follow a three step plan. The first step is to determine if the individual who posted the claim is



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currently an active distributor of Jusuru. If so, then Jusuru already has or will notify the individual of the compliance violation and demand that they remove the offending content or face suspension of their distributorship. If the distributor fails or refuses to comply with the demand, then Jusuru will suspend or terminate the offender's distributorship agreement. If the individual is not currently a distributor, then an effort will be made to contact the individual and make the same demand. In either case, if the individual ultimately refuses to remove the problematic claims, we will consider taking appropriate legal action, including a formal request to the web host to remove product health claim posts that violate our policies and/or infringe on intellectual property rights, and/or violate state and federal laws.

C. Summary of Type of Alleged Violations

There are two classes of issues referenced in your letter: health claims and income claims. We will address our findings and course of immediate action separately.

D. Health Claims

1. After a detailed review of the "health claims" cited in your letter and link, it was determined that the large majority of the claims are from older posts which did not show upon on the routine searches performed by the Jusuru compliance department to ascertain compliance issues among its distributors. In most cases on the health claims, our current search using the Jusuru protocol of searching current and active sites did not even pick up the older Facebook posts you cite.

2. In twenty-three of the health claim cases you cite, the individuals have previously been reprimanded, suspended, or terminated as the result of their unauthorized advertising. It appears that in many cases, the posts you reference are outstanding remnants of distributors who have either moved on and/or have overlooked these posts which were already supposed to have been removed. We will ascertain the status of the each individual distributor behind the offending site and demand immediate removal. If such a demand does not work, then Jusuru will consider taking legal action to have the offending claims removed, including a formal request to the web host to remove product health claim posts that violate our policies and/or infringe on intellectual property rights, and/or violate state and federal laws.

3. In the twenty-one instances where a distributor is still active with Jusuru, we have demanded the claims be removed and, as described above, inform the individual of our intent to immediately suspend or terminate the distributorship in the event he or she fails to comply with the advertising policies and procedures of Jusuru. Of these twenty-three, nine have either already been removed, or will be removed by the end of this week. Eleven of these twenty-three that you cite have been contacted and are pending response. One of these twenty-three is on suspension, and facing termination as the next step in our compliance protocols.

4. Two of the links to 'health claims' you provided belong to a former distributor who has deceased and our business practices department is attempting to have the posts eliminated or



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removed. One of the links you provided belongs to an unauthorized and unidentifiable individual; a notice has been sent to request immediate removal of such posting.

5. The remaining nine posts you've provided in your list of links belong to the Jusuru corporate office and have either been adjusted or will be adjusted to include additional disclaimers of structure-function claims, or will be edited as necessary in the very near future.

6. Jusuru currently does not allow distributors to develop their own websites, sales tools, or advertising, and each distributor must use a Jusuru approved website for compliance purposes and all advertising materials, including testimonials, developed by an individual distributor must be pre-approved by the Jusuru corporate office. None of the claims you identified were approved by Jusuru. For some of the claims, the distributor was previously reprimanded, their distributorship suspended or terminated, or the matter was reported to have been corrected, as indicated above.

7. Jusuru will continue to provide advertising compliance training to distributors at all national and regional events (and can use your letter as an example of what can happen if they are not compliant).

E. Income Claims

1. In most cases cited, there are no references to how much money you may or may not make as a Jusuru distributor. The truth is that Jusuru actually does have a car and/or vacation reward program and some people actually do achieve that status through legitimate hard work and effort. In most cases, the items you reference are merely announcements for the purpose of giving recognition to those individual achievements. A majority of these announcements are made on Jusuru corporate's private facebook group page intended for its distributors only.

2. Generally, the corporate Success Story videos referenced do not state that someone should join Jusuru and win a free car or vacation. Nevertheless, Jusuru is immediately implementing a modification to all of the car and vacation reward announcement videos to include an income disclaimer at the beginning and the end of the video (as opposed to the current set up with the disclaimer only at the end).

3. Additionally, with the disclaimers at the beginning and the end of the video, there will be a link to the corporate site which will provide a full breakdown of the generic statistical data on typical income and rank for Jusuru distributors compared to the number of distributors enrolled. The data chart includes high incomes, low incomes, and median incomes by percentage of distributors achieving those respective ranks over time. This link will be provided and mandated to use by distributors who post any representation or implication of the rewards they receive from being a Jusuru distributor. Our company has not, nor will ever, allow distributors to post references to specific past or potential earnings. The income disclosure chart link will also be applied to all car, bonus, or promotions that the Jusuru corporate posts on their website.



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F. Next Steps

Since receiving your letter, the company has had four in-person, formal meetings with its top field leaders to further reinforce our advocacy and enforcement of proper health claims, and most importantly, a reminder that we prohibit distributors from creating their own promotional and advertising materials or modifying sales tools that the company provides. We have conducted a thorough training on dietary supplement health claim laws and income claims, as well as scheduling webinar trainings on the subject of compliance with each regional sales team.

This week, Jusuru plans to send a formal letter to remind the entire roster of distributors in no uncertain terms of its zero tolerance for the use of noncompliant advertising and that any failure to comply may result in suspension or termination of their distributorship. This notification will be a familiar refrain to Jusuru distributors but with a new light of seriousness shining on the issue of advertising compliance.

This letter will also describe a newly branded “Jusuru Good Business Practices” program that launches with Jusuru’s new website and its new online distributor enrollment process, that includes upgraded technology allowing Jusuru distributors to watch a short video on compliance, dietary supplement regulations, and income claims - before they complete their enrollment process. The new website had already been designed earlier this year, is currently in its programming stage, and is scheduled to go live in the fall.

Additionally, in an effort to automate its compliance enforcement and standard operating procedures, Jusuru has engaged in a software technology service that assists in compliance monitoring, finding unauthorized sellers, and advanced social media searches, which is expected to implement this summer. We believe this technology will help protect Jusuru and its distributors from regulatory and reputational risks, and protect our brand.

We strongly support TINA.org’s efforts in identifying problematic advertising and we trust that the foregoing communicates how seriously we take advertising compliance and that you find our prompt action and response satisfactory. If so, we request that Jusuru be taken off your website which itself is negatively misleading based on the facts and circumstances of this case. If our efforts or plans are not satisfactory in any way, or if we can provide you with any additional information, please let us know.

JUSURU INTERNATIONAL, INC.



Asma Ishaq, President

AI:bms
CC: William J. Acromite, Esq. General Counsel





June 17, 2016

VIA REGULAR MAIL AND EMAIL

Asma Ishaq, Co-Founder and President
Jusuru International, Inc.
1240 North Red Gum Street
Anaheim, CA 92806-1820
[REDACTED]

Re: Deceptive Marketing for Jusuru International Opportunity and Products

Dear Ms. Ishaq:

Thank you for your response to my June 7, 2016 letter. With respect to your assertion that Jusuru “maintains a rigorous and robust enforcement protocol by routinely web searching currently active internet sites for noncompliant advertising,” such a contention is belied by the multitude of inappropriate health and income claims that have been on the world wide web for years. Simply by Googling “Jusuru” and “arthritis,” “fibromyalgia,” or many other diseases of your choosing, you could have found a plethora of websites and social media posts and entries making false and deceptive claims, as shown by the numerous claims we collected in the database we provided (which only represents a sampling of these types of deceptive marketing claims; it is not meant to be a comprehensive list). As for income claims, search terms such as “Jusuru” and “Mercedes” or “success” will provide your compliance department with a starting point for income representations that do not comply with FTC law. (Again, the database of income claims we provided is only a sampling of such inappropriate claims, not a comprehensive list.)

Given your detailed representations that Jusuru is using its best efforts to address the issues we have raised, however, TINA.org is willing to currently withhold bringing these issues to the attention of the Federal Trade Commission assuming Jusuru fully corrects the issues described above and in my June 7, 2016 letter, and continues to take steps to ensure that there are no future misrepresentations. We will continue to closely monitor the marketing activities of Jusuru and its distributors in order to determine if/when appropriate government agencies need to be alerted.

Sincerely,

A handwritten signature in blue ink that reads "L Smith". The signature is written in a cursive style with a large, looped initial "L" and a small dot over the "i" in "Smith".

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