

September 5, 2017

VIA EMAIL

Jared O. Blum DSA Code Administrator

Re: Illegal Health Claims by DSA-Member Companies

Dear Jared:

As you know, a TINA.org investigation last November found that 97 percent of DSA member companies selling nutritional supplements had distributors marketing their products with illegal health claims. This summer (approximately nine months later), we conducted an audit, which has revealed that a majority of DSA member companies have failed to take down over half of the claims.¹ This means that out of an aggregate sampling of approximately 2,000 inappropriate health claims, at least 1,000 remain on the internet, available for distributors to (mis)use to market their wares and sell the business opportunity.

Assuming that our letters notifying you and each of the 60 companies of our findings in November 2016 was included in the 2017 Code of Ethics Administrator Report, it is hard to square our audit results with the conclusion in your report that 203 of the 217 complaints received "were deemed resolved."

Our review found, among other things, that:

- for at least three companies (ExFuze, GNLD (aka NeoLife International) and Zrii), 90 percent or more of the health claims published by TINA.org are still available for the world to see;
- at least 18 companies have failed to take down 75 percent or more of the health claims published by TINA.org;
- six companies (ExFuze, Flavon, GNLD, RBC Life, Symmetry and Zrii) have only managed to take down one or two inappropriate posts; and
- not a single company managed to take down the entire sampling of health claims exposed by TINA.org.

Moreover, since TINA.org's November 2016 findings, DSA-member companies and

their distributors continue to market products and the business opportunity using inappropriate health claims. By way of example, Exfuze is currently marketing its Seven+ Focus drink as having the ability to "Improve Memory and Brain Function,"² while Nerium International has distributors claiming Nerium's brain supplement, EHT, is the solution for everything from Alzheimer's to concussions to chronic traumatic encephalopathy (CTE).³

Given TINA.org's findings, it is clear that a majority of DSA-member companies selling nutritional supplements continue to ignore the DSA Code of Ethics, as well as truth in advertising laws. As such, TINA.org renews its product claims complaint against all 60 of the MLM companies we initially alerted you to in November 2016.

Sincerely,

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

Bonnie Patten, Esq. Executive Director Truth in Advertising, Inc.

Cc: Mary Engle, Division of Advertising Practices, FTC Jason Humbert, Health Fraud, Division of Enforcement, FDA

¹ See TINA.org's audit results at <u>https://www.truthinadvertising.org/mlm-health-claims-audit-</u>results/.

² See <u>http://exfuze.com/focus.php?url</u>.

³ See <u>https://www.truthinadvertising.org/nerium-health-claims-database/</u>.