

PRESS RELEASE

AdvoCare Settlement with the Federal Trade Commission (FTC) - Statement from Direct Selling Association President Joseph N. Mariano

October 2, 2019

FOR IMMEDIATE RELEASE

Washington, D.C. –We consider today's announcement by the Federal Trade Commission (FTC) regarding its settlement of inquiries into AdvoCare International, as well as several members of its salesforce, a serious matter. Business ethics and consumer protection are at the heart of DSA's mission. We will swiftly engage our process and review the FTC order released today to determine our next steps.

We continue to welcome clarity from the FTC and remain in close contact with regulators to seek guidance from regulators. Andrew Smith, Director of the FTC's Bureau of Consumer Protection is scheduled to speak at our DSA Legal and Regulatory conference next week. The DSA Code of Ethics also reinforces our commitment, requiring member companies and its independent salespeople to adhere to high standards of conduct including strict rules on earnings claims and ensuring companies buy back inventory from anyone who leaves the business.

This year, DSA accelerated its efforts to ensure high ethical conduct by initiating a partnership with the Better Business Bureau National Programs (BBNP) for comprehensive monitoring. The Direct Selling Self-Regulatory Council (DSSRC) monitors the online presence of companies and salesforce members to identify unreasonable or inappropriate product or incomes claims by all direct selling companies, regardless of DSA membership. The DSSRC operates entirely independent of DSA or any direct selling company and already has established a strong track record of success in having companies identify and correct issues, especially those that may be caused by overzealous salespeople.

The announcement of the settlement agreement serves as an opportunity to gain further insights into the FTC's interpretation of the law and vision of best practices in our industry. Our mutual goal is to eliminate any instance of non-ethical business practices while protecting the millions of people who responsibly engage in direct selling, either as consumers or as sellers who supplement their income through an entrepreneurial venture.

About the Direct Selling Association

The Direct Selling Association (DSA) is the national trade association for companies that offer entrepreneurial opportunities to independent sellers to market and sell products and services, typically outside of a fixed retail establishment. In 2018, direct selling took place across the United States, generating \$35.4 billion in retail sales. More than six million entrepreneurs in the U.S. are selling products or services through the direct selling channel, providing a personalized buying experience for more than 36.6 million customers. For more information, visit www.dsa.org.

Categories:

- Publishing
- Home Page

I have additional questions, who can I contact?

You may contact Adolfo Franco, Executive Vice President.

© 2019 Direct Selling Association | 1667 K Street, NW, Suite 1100, Washington DC 20006-1660 | Tel: 202.452.8866 | Fax:
202.452.9010