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Direct Selling Self-Regulatory Council Case #222-2025: Government Referral – Astral Health & Beauty, Inc. (Aloette Cosmetics brand)

Company Description

Aloette Cosmetics ("Aloette" or "the Company") is a subsidiary brand of Astral Health & Beauty, Inc., which serves as its parent company. Astral Health & Beauty owns and operates several beauty and skincare brands, with Aloette functioning as one of its key direct-selling and franchise-based skincare and cosmetics divisions. Originally founded as Aloette Cosmetics, Inc. in 1977, the company was later renamed and reorganized under Astral Health & Beauty in 2005. Aloette is headquartered in Atlanta, Georgia.

Basis of Inquiry

The Direct Selling Self-Regulatory Council ("DSSRC") is a national advertising self-regulation program administered by BBB National Programs.

This inquiry was commenced by DSSRC pursuant to its ongoing independent monitoring of advertising in the direct selling marketplace and pertains to income claims disseminated by Aloette salesforce members on Facebook and Instagram.

The representative claims that formed the basis of this inquiry are set forth below:

Earnings Claims

- 1. "Do you need extra income? Do you like skin care and cosmetics?

 Have you considered a side gig before but didn't want to put in the money to get started??

 You don't need another job that pressures you into working around their schedule. With this job you create your own schedule and it can work around kids, full-time employment, husbands, parents, whatever you need it to! AND you DON'T pay anything!!!

 What would you do with an extra \$500-\$1000 a month? Renovations? Buy a new car? Be able to help your kids join extracurricular activities? Go on a shopping spree? ---- there is no wrong answer. WHATEVER it is that YOU want to do with some extra cash-Aloette is the vehicle that can help you earn the money for the things YOU want to do! Our average consultants earn \$75-\$100 PER Party- LADIES THIS IS ALL ONLINE(if you want it to be)- let's chat. You'd be crazy to not want to start in this business. You really have NOTHING to lose." (October 2023)
- 2. "Whether you want to make a little extra cash or make Aloette your full-time job, we give you everything you need to build a thriving business that fits around your life. We offer multiple starter kit options to help kick-start your business and, ultimately, set you up for success. Perks of being an Aloette Beauty Consultant:
 - Choose your own hours
 - Build your own personal brand and financial freedom
 - Earn commission on every sale and a discount on personal orders Be recognized and celebrate your success with luxury travel and gifts" (April 2022)
- 3. "Being a 'work from home' Aloette Influencer has many perks
 - 🛱 Financial Freedom"(August 2021)
- 4. "Aloette income potential is UNLIMITED!! Just in time to make the extra \$\$\$ for Christmas!!! I L♥VE MY JOB!! ♥ " (November 2022)
- 5. "I am so excited to announce that I officially have earned a "trip for 1.5" which now due to our pandemic translates to \$6900 cash!!! Feb 1st launches the start of a new incentive trip contest and I want YOU there with me!...You will have the exact opportunity I have to earn the next trip!! DO NOT let fear or thinkg you "cant sell" hold you back. We give you EVERYTHING you need and stand by you as your grow. Plus, right now its all virtual so you WORK FROM HOME!" (January 2021)
- 6. Picture stating: "Earn Full Time; Money working; Part Time Hours!" (April 2021)
- 7. "Know of anyone wanting something for their retirement? Maybe they are concerned about saving some extra for retirement? Maybe they are no where near retirement but could use the money now! Join our team now! Part Time or more! Temporarily or long term. We have a UNIQUE opportunity for you!" (January 2021)
- 8. "We offer top commissions, bonuses, and big discounts plus incredible perks such as our dream vacation Jetsetter trips and more!" (January 2025)
- 9. Meet Leah! Since joining Aloette in 2022, this busy mom has thrived with 2 promotions, 179 parties, 10 new team members, and over \$46,000 in personal sales! She credits her success to the flexibility of her business and the amazing support from her Aloette leaders. Leah started this journey to help her family financially, especially with two small kids and a baby on the way, but she's gained so much more!" (November 2024)

Company's Non-Participation in the DSSRC Process

On April 25, 2025, DSSRC initiated its inquiry by sending a Notice of Inquiry to Aloette's headquarters in Atlanta, GA via both email and USPS 2-day mail. When the Company did not respond within the designated 15-business-day timeframe, DSSRC made additional outreach attempts. On May 22, 2025, a follow-up 10-Day Notice was issued through the same delivery methods, informing Aloette that failure to respond within 10 business days would result in referral of the matter to the appropriate government agency.

Despite these efforts, the Company remained unresponsive. Consequently, DSSRC sent Aloette another Notice of Inquiry and a second 10-Day Notice. During the course of the inquiry, DSSRC also attempted to reach Aloette by telephone, leaving multiple voicemail messages stressing the urgency of the matter and encouraging the Company to engage with DSSRC to avoid escalation.

Despite being given several opportunities and reminders, Aloette did not submit a response to DSSRC's inquiry.

Referral to the Government

DSSRC determined that the subject claims being disseminated by Aloette salesforce members on social media expressly and inaccurately claimed that Company salesforce members can earn significant, career-level and/or unlimited income, replace previously earned income, achieve financial freedom, and earn free trips.

As stated in section 13 of the Federal Trade Commission's (FTC) 2024 Business Guidance concerning Multi-Level Marketing ("FTC Business Guidance"), an MLM's or its participant's representations related to the business opportunity, including earnings claims, violate Section 5 of the FTC Act if they are material to consumers and false, misleading, or unsubstantiated. This is true wherever the representations are made, including on social media, in live presentations, in one-on-one conversations, or in any other medium. It is further noted in the FTC Business Guidance that even truthful testimonials from MLM participants who earn large amounts of money or career-level income likely will be interpreted as representing that their experience is representative of what others should expect to receive. Given the reality of MLM participant experiences, such a testimonial is atypical and not representative of what most MLM participants will achieve. Presenting atypical earnings to consumers considering an income opportunity is likely to generate a deceptive impression.

Moreover, according to section 6 of the DSSRC Earnings Claim Guidance for the direct selling industry, while DSSRC will evaluate any claim based upon the context in which the claim appears and the potential net impression of such claim to the audience, some words and phrases are prohibited when made to a general audience of prospective or current salesforce members. Such words and phrases include statements such as "quit your job," "be set for life," "make more money than you ever have imagined or thought possible," "unlimited income," "full-time income," "replacement income," "career-level income," or any substantially similar statements or representations. Other terms, such as "passive income" and "residual income," are prohibited when they convey that income can be continuously earned by salesforce members with little or no ongoing effort.²

It is further noted in the DSSRC Earnings Claim Guidance that some words or phrases carry a particularly high risk of being misleading to consumers when communicated in a general context. Such words and phrases include but are not limited to "financial freedom."

Regrettably, Aloette failed to respond to DSSRC's efforts to engage the Company in the direct selling industry's self-regulatory forum.

In accordance with section (V)(C)(4) of the DSSRC Policies and Procedures, in the event the company whose marketing is the subject of a DSSRC inquiry fails to participate in the self-regulatory process, DSSRC may refer the matter to an appropriate government agency for review and possible law enforcement action.

Accordingly, based upon Aloette's failure to respond to the self-regulatory inquiry and address DSSRC's concerns, this matter has been referred to the FTC and the Georgia Attorneys General Office.

(Case No. 222, closed on 07/24/25) © 2025 BBB National Programs

- [1] See https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing#deceptive
- [2] See section 6 of the DSSRC Earnings claim Guidance for the Direct Selling Industry.

July 31, 2025

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