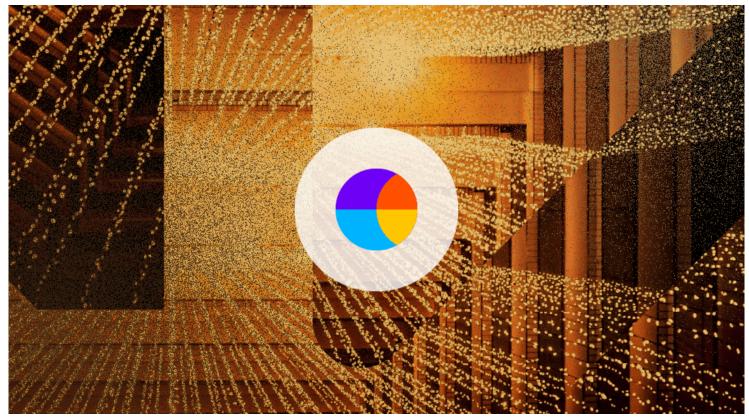
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Case #180-2024: Monitoring Inquiry – Forever Living Products International, LLC

BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council Case #180-2024: Monitoring Inquiry – Forever Living Products International, LLC

Company Description

Forever Living Products International, LLC ("Forever Living," or the "Company") is a multi-level direct selling company founded in 1978 and headquartered in Scottsdale AZ. The Company markets a wide range of aloe vera based wellness and beauty products.

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 initiated by DSSRC as part of its ongoing, independent monitoring of product and income claims in the direct

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selling industry.

DSSRC expressed concern that the below claims communicated on Facebook, Instagram, and YouTube could be reasonably understood by consumers as meaning that the typical Company salesforce member would receive significant income through participation in the Forever Living business opportunity:

1. "No income limit"

(Facebook 2024)

2. Image of \$100 bills with copy stating, "Take the first step towards financial independence with Forever Living Products!"

(Instagram 2024)

- 3. "Minimum investment with great opportunity to grow uncapped and very scalable business."
- 4. "]...they put a little bit of effort and they ear a little bit of money, maybe like a few hundred dollars a month and some other people who put more effort and they start building a team and working with the team and helping them and having some sales, they're making \$1,500, \$2,000, \$3,000...some other people who are more committed, they're making 5 maybe to \$10,000 a month..." and ".....some people receive extra bonus check whether it's 3,000, 5,000, 10, 25, 30, 50 and some people who take it seriously who really work hard who have big organizations, they make over \$1 million in these checks."

(YouTube 2024)¹

5. YouTube video titled "Unlock Financial Freedom with Forever Living Products Business Opportunity"

[01:15] The earning potential is unlimited (YouTube 2024)

6. "Are you ready to transform your life and achieve financial freedom?"

(Instagram 2024)

7. "#financialfreedom"

(Instagram 2024)

8. "Join us today and start your journey towards financial freedom! #financialfreedom"

(Instagram 2024)

9. "Join Forever Living and explore new income opportunities today! Whether you're a student, housewife, or unemployed, there's an opportunity for everyone to boost their income and achieve financial freedom. Don't miss out! #FInancialFreedom"

(Instagram 2024)

10. "Join Forever Living today and unlock your path to financial freedom. With unlimited income potential...#FinancialFreedom"

(Instagram 2024)

11. "Are you ready to unlock the door to financial freedom?

- Wealth Growth: Join a community that values financial growth and personal success. Your investment can lead to significant returns and a prosperous future." (Instagram 2024)

12. "Are you looking for a business opportunity that offers flexibility, growth, and the potential for financial freedom?"

(Instagram 2024)

Company's Position

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Case #180-2024: Monitoring Inquiry - Forever Living Products International, LLC - BBB National Programs

Forever Living did not dispute DSSRC's concerns that the social media posts in question were in violation of the Company's policies and were not aligned with the Federal Trade Commission's (FTC) guidance regarding the dissemination of income claims.

Within a week of receiving the DSSRC Notice of Inquiry, Forever Living was successful in removing all 13 social media posts that were brought to its attention. The Company also provided DSSRC with a detailed spreadsheet documenting all of its actions and the ongoing status of the social media posts at issue.

The Company informed DSSRC that it is deeply committed to transparency and improving its compliance process on a worldwide basis to ensure that its salesforce members are disseminating truthful and accurate statements presented in a manner that is not false, deceptive, or misleading.

The Company also stated that it utilizes a third-party monitoring tool to assist in identifying, addressing, and documenting non-compliant advertising claims made by its salesforce members. In addition to utilizing this third-party monitoring service, Forever Living hired four additional individuals to work on salesforce member compliance and has implemented extensive training initiatives to educate its team and salesforce members on compliance standards. The Company also drafted and implemented an Internal Compliance Policy detailing its compliance practices, a customer-facing Disclaimer Guidance document, and a Dos and Don'ts document that is prominently displayed on the Income Disclosure Statement section on the Forever Living corporate website. The Company maintained that these initiative-taking measures reflect its commitment to maintaining a compliant business environment and ensures that employees and salesforce members are consistently adhering to all applicable legal and regulatory requirements, as well as Forever Living's Policies and Procedures.

Administrative Closing

DSSRC appreciated the prompt, good faith actions taken by Forever Living to remove the 13 social media posts that communicated the earnings claims at issue in the inquiry and determined that the Company's actions were necessary and appropriate.

More specifically, Section 6 of DSSRC's Guidance on Earnings Claims notes that some words and phrases presented in the context of earnings claims are prohibited when made to a general audience of prospective salesforce members. Such words and phrases include statements such as "unlimited income," "full-time income," "replacement income," "career-level income," or any substantially similar statements or representations.² In addition, Section 6 (A) of the DSSRC Earnings Claim Guidance states 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."³

Moreover, Section 13 of the FTC's Business Guidance Concerning Multi-Level Marketing ("the FTC Guidance") states that "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..." and that "...[a]n MLM or participant making claims about MLM income must have a reasonable basis for the claims disseminated to current or prospective participants about the business opportunity at the time it makes the claims.

The FTC Guidance further states that 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. The FTC Guidance further notes that it is deceptive and unlawful to make such claims if participants generally do not achieve such results or if the direct selling company lacks objective data to know whether participants generally achieve these results.

Based upon the foregoing, DSSRC agreed that Forever Living took the appropriate action in facilitating the removal of the subject social media posts and recognized the Company's good faith efforts and ongoing commitment to regulatory compliance.

Conclusion

DSSRC recognized Forever Living's good faith efforts to have all of the social media posts at issue in the inquiry removed. Based upon the Company's actions, DSSRC administratively closed its inquiry.

(Case No. 180, closed on 11/11/24) © 2024 BBB National Programs. [3] Id. at §2(A).

November 03, 2024

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