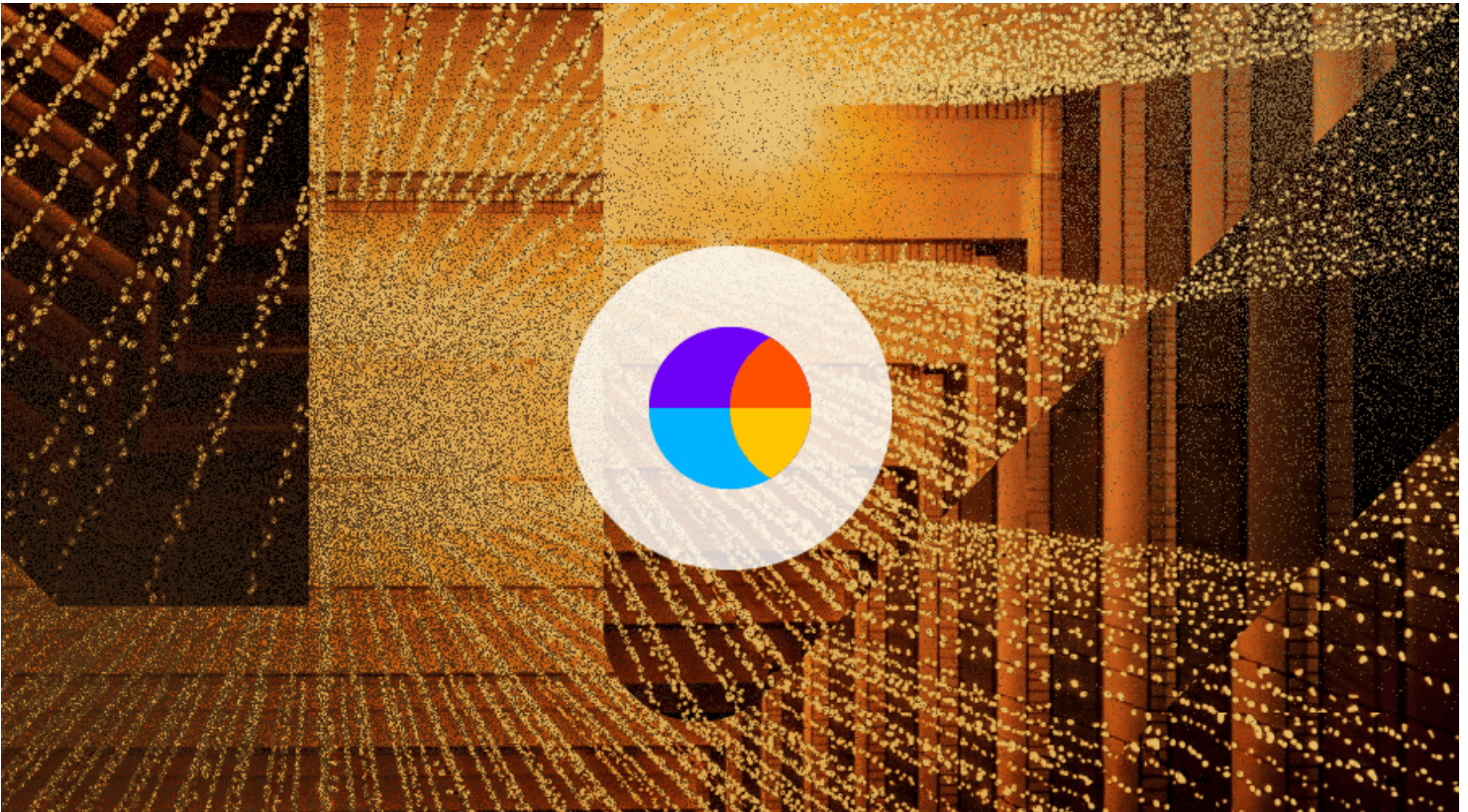


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# Case #142-2023: Administrative Closure – Globallee, Inc.

## BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council  
Case #142-2023: Administrative Closure – Globallee, Inc.

## Company Description

Globallee, Inc. (“Globallee” or the “Company”) is a direct selling company located in Irving, Texas, founded in 2019. The Company sells various health and wellness supplements and has offices in Japan, Canada, Australia, and the United States.

## 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 and marketing claims in

the direct selling industry.

DSSRC was concerned that the representative claims below communicated the message that Company salesforce members can generally expect to earn significant income from the Globallee business opportunity and that the Company's products are efficacious in addressing serious health-related conditions.

#### *Earning Claims:*

- "I'm coming up on my one year anniversary and since joining, I've earned 2 free vacations, a Louis Vuitton purse, weekly pay, bonuses, promotions, free products and VIP club packages monthly. . . . With inflation at its highest, I'll admit, this income has been a blessing!!!"
- "Our weekly paychecks just came thru and it still floors me that i use to work almost a full month outside the home to make what I just got for a weeks worth of work. . . . Let me show you how to create that income you've always wanted!"
- "Whether you just want a few extra hundred for date nights monthly or want financial freedom, you can do it with this company."
- [02:13] "In April this year, these people, lucky few, had earned a trip to—not Cancun, I'll tell you later, but a beautiful holiday, I've gone blank. And they earned it, and they all went off to this great holiday, and here they all are having fun. . . . They were very blessed and we all have the opportunity to earn free trips with Globallee." [12:45] "I know that my other business that I run, which is my own business, has cost me hundreds of thousands of dollars, and I'm up to here in debt with that. Whereas this, I bought my pack for \$1000, which was probably about \$15-1700 in Australian dollars. . . . I'm earning money that is paying already by three months in the business in 2019, so by January last year I bought myself a brand-new Kia Seltos . . . so I'm paying for my car with that, but now I'm earning more. . . . It is work, it's not easy, but it is easy, and I'm going to show you how. This is one of the easiest multi-level marketing businesses I've been in."

#### *Product Claims:*

- "Joint protection . . . Promotes healthy hair growth . . . Reduces inflammation"
- "Immune support, gut health, clear mind, everything magic! Edema, anxiety, pms, eczema, acne, weight loss, hair loss, diabetes, heart issues... and everything in between... llet me know if you want some magic with highest quality ingredients"
- "Taka is a functional beverage with all natural healthy ingredients and provides benefits of supporting the immune system , supporting gut health , provides energy ...helps with circulation , diabetes , heart disease and more . . . . Improves stress management and sleep , improves arterial/cardiovascular health , decreases fluid retention"
- "all natural farm to market ingredients to support clean healthy energy, good gut health & boost your immunity"
- "My midwife is impressed about my weightloss and recovery thus far and said to keep doing what I'm doing . . . . So what have I been doing?! TAKA and for the last 3 years it hasn't changed! . . . TAKA will continue to fuel and help recover my body postpartum"
- "Who is ready to try an all natural product full of Antioxidants, Minerals and Supplements that can help you with inflammation, anxiety, depression, sleep issues, heartburn, gut health, energy and more. / What are you waiting for? No GMOs, vegan , no sugar and the side effects are possible weight loss, energy, less pain and mood stabilizer"
- "The most amazing transformation is one you can't see... My joints are jumping for joy, literally!! I've had multiple surgeries which led to painful arthritis (at an age that was way too young). Thanks to Taka my joint pain no longer rules my life! I have mental clarity like I didn't know was possible! My hypothyroid and I have been battling this one for almost 20 years... Thanks to Taka my brain fog has lifted! I lost 15lbs and kept it off!! Thanks to Taka I can Intermittent Fast without any cravings or hunger!"
- "This has helped me big time with my depression and anger I have had..."
- [01:21] "Weight management is also another benefit of Taka and my wife and I experienced his firsthand. When she stopped using gas station energy drinks and started drinking Taka, she lost 20 pounds in two months. Not only that, the inflammation in her back drastically decreased."
- "What a great natural support to help our children ! Taka & BeneTRIM helping...also for her daughter's ADHD! . . . My anxiety is in check, I have had the least amount of anxiety attacks ever. . . . My inflammation and bloating are down. . . . My 8 year old daughter was diagnosed with ADHD, I really wanted to try the natural supplements before I agreed to prescribe ones. I seen some other parents had been noticing improvements with their kids from taka an bentrin so we decided to try. Already within a month her dance skills have excelled, she's more focused and alert, she hasn't had her fits that come an go with ADHD an her bed times have been soo much easier!!"
- "I have been dealing with stomach pain and acid reflux since I was a teenager, cramping, bloating, muscle spasms, heartburn ...etc. I have been on dozens of different medications but nothing really helped. For the past 13 years or so I have had trouble with my energy level, I was literally falling asleep at work. The doctors put me on antidepressants and that helped abit. / This past month I started drinking TAKA and I can't believe the difference! I am no longer taking my acid reflux medication and I am down to half my antidepressants! I am no longer bloated and in pain at the end of the day, and my gut feels better than it ever has. I have more energy and i am sleeping better than I have in years."
- [screenshot] "My sister in the states. Her hubby got a doctor check up and his blood pressure had gone down 40 points with Taka "
- "Arthritis gone / Psoriasis gone / Inflammation gone / Varicose veins 90% disappeared / Bloating thing of the past / Fluid retention gone / Tiredness gone / Lack of concentration gone / Feeling sluggish gone / Lower back pain gone / Depression and anxiety gone /

Tummy aches gone / Constipation thing of the past / And so much more / Weight loss 22 kilos and a bit / Inches lost count / I have gone down a dress size in the past month and only a kilo on scales.”

- “My Blood pressure is down, weight is down, off cholesterol meds and more to come.. Thanks to Globallee products and pushing back from the table.”
- “Another testimonial...Love love this stuff / It’s magic / Sleep / Weight / Mood / Blood pressure / Cardiovascular health / Full of natural energy / So much more!”
- “Well for the first time EVER I found something that took away a migraine with no help of pain meds or Advil/Tylenol. I had a migraine coming on the first time trying TAKA and before I was finished my headache was gone. I thought well this is nice still waiting for it to return later but nothing not even a linger of a headache. . . . It also helps lower blood pressure, ADHD, depression, gut and weight loss.”
- “Here is another Great testimonial from a happy TAKA drinker!! This is huge for people with diabetes!! . . . And the only thing I’ve changed was drinking TAKA daily! I knew clinical studies have proven it as effective therapy for type 2 diabetics, but I didn’t expect such a huge impact for me personally as a type 1! Kim, you can finally stop worrying about me getting my feet amputated when I’m older! . . . Pharmaceutical drugs should not be the first-line treatment for many common diseases and ailments—God has made countless naturally occurring plants/ingredients with better safety profiles and randomized controlled trials demonstrating efficacy.”

## Administrative Closure

### *Earnings Claims*

Shortly after receipt of DSSRC’s Notice of Inquiry, Globallee effectuated the discontinuance of the four social media posts that included unsupported earnings claims. DSSRC determined that the Company’s actions were necessary and appropriate.

As stated in section 2(F) of the Direct Selling Self-Regulatory Council Guidance on Earnings Claims for the Direct Selling Industry (the “Guidance”), for purposes of a DSSRC inquiry, an earnings claim includes any claim, express or implied, communicated by either the direct selling company itself or by its independent salesforce members that conveys that salesforce members may earn or have earned company-sponsored incentives, including vacations or other awards.<sup>1</sup>

Claims regarding the incentive may be appropriate if the direct selling company and/or its salesforce members clearly and conspicuously disclose key context related to the award or earnings to ensure that the net impression is truthful and not misleading. Here, no such disclosures were included in the two incentive reward posts at issue.<sup>2</sup> Accordingly, here, as there was no disclosure provided to highlight the number of Company salesforce members who typically earn incentive trips or other rewards, DSSRC determined that the Company’s efforts to disable posts that included unqualified trip and incentive claims was necessary and appropriate.

Additionally, 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. Moreover, 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” and “time freedom.”<sup>3</sup>

Accordingly, DSSRC appreciated the efforts of the Company to remove social media posts communicating that salesforce members can achieve financial freedom and replace their income from the Globallee business opportunity.

### *Product Performance Claims*

Globallee did not attempt to provide substantiation for the product performance claims identified by DSSRC in this inquiry but, instead, attempted to have the posts at issue removed or significantly modified. The Company was successful in removing 13 of the 16 social media posts that communicated unsupported product performance claims.

With respect to the three remaining social media posts, the Company provided DSSRC with copies of the correspondence that it sent to salesforce members responsible for the posts. After not receiving responses from those three salesforce members, Globallee suspended or terminated their accounts and proof of the final suspension/termination notices were submitted to DSSRC.

It is a fundamental principle of advertising law that an advertiser has the burden to possess a reasonable basis for any substantive claims communicated by its advertising at the time the claims are disseminated and that all health-related claims must be supported by competent and reliable scientific evidence.<sup>4</sup> In addition, an advertiser has an obligation to support any express or implied claims that may be reasonably interpreted by consumers.<sup>5</sup> When a direct selling company is made aware of improper product claims that were made by an individual who was an active salesforce member when such claim was made but that has since become an inactive salesforce member of the company, DSSRC acknowledges that the direct selling company may not be able to require such salesforce members to remove a

social media post. In that instance, DSSRC nonetheless recommends that the direct selling company make a bona fide, good faith effort to have the improper claim removed. Additionally, if the subject claim by a former salesforce member occurs on a website or platform without a reporting mechanism, DSSRC recommends that the Company should also contact the website or platform in writing and request removal of the subject claim or post.<sup>6</sup>

Here, in addition to the removal of a majority of the posts at issues, Globallee reached out to the salesforce members responsible for the remaining social media posts asking that the posts be modified or removed, contacted Facebook to inform them that the posts included unauthorized claims, suspended and/or terminated the accounts of the unresponsive salesforce members, and provided DSSRC with copies of the aforementioned correspondence.

Based upon the foregoing good faith efforts of the Company, DSSRC administratively closed its inquiry and will continue to monitor the earnings claims and product performance claims being disseminated by Globallee and its salesforce members.

(Case No. 142-2023. Closed on 12/19/23)

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[1] *See* the Direct Selling Self-Regulatory Council’s Guidance on Earnings Claims, section 2(F)

[2] *Id* at 8(B).

[3] *Id* at 6.

[4] *See* FTC Policy Statement Regarding Advertising Substantiation at <https://www.ftc.gov/legal-library/browse/ftc-policy-statement-regarding-advertising-substantiation>.

[5] *Id*.

[6] Essential Bodywear, LLC (Case #103-2023); Le-Vel Brands (Case#57-2021); Daxen, Inc. (Case #52-2021). Gano Excel USA, Inc. (Case #30-2020)

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