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Direct Selling Self-Regulatory Council

Case #198-2025: Administrative Closure - Initial Outfitters, Inc.

Company Description

Initial Outfitters, Inc. (“Initial Outfitters” or the “Company”) was a direct selling company based in Auburn, Alabama. The company was founded in 2006 and specialized in personalized products, including apparel, jewelry, home goods, bags, makeup, personal care, skin care, and cosmetic 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 commenced by DSSRC pursuant to its ongoing independent monitoring of advertising in the direct selling marketplace and pertains to income claims disseminated by the Company and its salesforce members.

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

Earnings Claims

1. "Are you wanting to do any of the following:

- ★ Renovate your home
- ★ Pay off debt
- ★ Send your child to college
- ★ Pay for a missions trip
- ★ Retire
- ★ Replace a full time income within 3 years
- ★ Become a stay at home mom
- ★ Have a little extra guilt free cash" (01/2019)

2. "Looking for a post-Covid career option? Why not give IO a try."
"Financial Freedom"
(04/2021)

3. "This \$1 can bring you financial freedom through sales and getting your own products at a discount, amazing friends and support, and a LOT of fun! 😊 Now is the perfect time to jump in and see with our 🥰 brand new catalog, a new 🌴🏠🎡 incentive trip where YOU decide where and when you want to vacation to Universal Studios, Disney World, or to an all-inclusive resort in Cancun!!" (07/2020)

4. "financial freedom"¹

5. "🥰 Laura signed on as a rep in January 2019

😊 She works full-time and had her first baby towards the end of 2018!

💰 she sold over \$24,000 in 2019 and earned at least \$6,000 oin income for her and her family. This is on top of other incentives and 💵 bonuses! So...actually more than \$6,000

💵 She received weekly pay!"

Stack of \$10 bills in photo.

(01/2020)

Termination of Initial Outfitters Direct Selling Business Opportunity

Initial Outfitters did not respond to DSSRC's request for substantiation of the earnings claims that were the subject of this inquiry. During the pendency of the inquiry, DSSRC learned through various social media posts and online representations that the Company ceased operating as a direct selling company on or about June 2022.

Although the company's website still displayed various items for sale, attempting to complete a purchase resulted in an error message at checkout, preventing the transaction. When DSSRC also attempted to contact the Initial Outfitters at the customer service telephone number provided on the Company website, the call failed to connect.

DSSRC notes that in its discussion of earning claims in section 15 of the Federal Trade Commission's (FTC) 2024 Business Guidance concerning Multi-Level Marketers, the FTC cautions that "An MLM or its participants may also claim that participants, while not necessarily becoming wealthy, can achieve career-level income, replace earnings from a job, pay off debt, or provide a means to supplement their income. They may represent through words or images that participants can, for example, earn thousands of dollars a month, quit their jobs, 'fire their bosses,' or become stay-at-home parents. some business opportunities may claim that participants, while not necessarily becoming wealthy, can achieve career-level income... If participants generally do not achieve such results, these representations likely would be false or misleading to current or prospective participants."²

Moreover, section 6 of the DSSRC Earnings Claim Guidance for the direct selling industry, notes 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

Conclusion

Although DSSRC continues to be concerned about any unqualified claims suggesting that a direct selling company can offer significant earnings and financial freedom to its salesforce members, this inquiry was administratively closed due to Initial Outfitters ceasing its business operations.

(Case #198, Closed on 3/04/25)

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[1] DSSRC identified three posts making reference to Company salesforce members achieving financial freedom from 2020, 20201 and 2022.

[2] *See* Fed. Trade Comm’n, Business Guidance Concerning Multi-Level Marketing, Section 15 (April 2024)
<https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing>

[3] *See* Direct Selling Self-Regulatory Council, Guidance on Earnings Claims for the Direct Selling Industry, Section 6 (2022)
[dssrc_guidanceonearningsclaimsforthedirectsellingindustry.pdf](#).

3.05.25

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