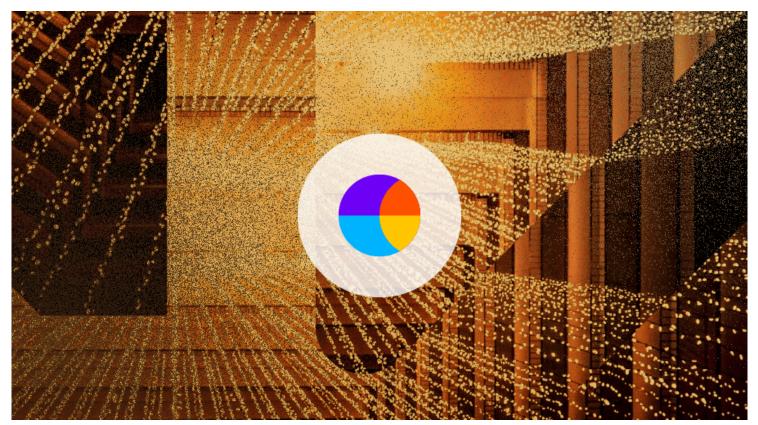
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<u>What Is BBB National Programs?</u>

- 1. Home
- 2. Programs
- 3. Advertising Self-Regulation
- 4. Direct Selling Self-Regulatory Council (DSSRC)
- 5. Case Decisions
- 6. Case #199-2025: LifeWave, Inc.

Case #199-2025: Administrative Closure - LifeWave, Inc.

BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council Case #199-2025: Administrative Closure - LifeWave, Inc.

Company Description

LifeWave, Inc. ("LifeWave" or the "Company") is a direct selling company that specializes in wearable wellness technology, primarily phototherapy patches designed to stimulate the body's natural healing processes. The Company was founded in 2004 and is headquartered in San Diego, California.

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 communicate the message that the typical LifeWave salesforce member can generally expect to earn significant income from the Company's business opportunity and that LifeWave's products are efficacious in addressing health-related conditions.

The claims at issue were disseminated on YouTube, Facebook, LinkedIn, X, and Instagram.

Earnings Claims

- 1. "In addition to the financial rewards, Lifewave's business model allows you to make a positive impact on the lives of others. By sharing these breakthrough products and the incredible opportunity with others, you have the potential to transform their well-being and help them achieve their health and financial goals. Lifewave truly embodies the concept of win-win, where personal growth and financial freedom go hand in hand with improving the lives of those around you."
- 2. "Take control of your future—start your wellness journey today! #financialfreedom" (October 2024)
- 3. "Unlocking the secret to earning more without the grind! #financialfreedom #passive income" and image depicting choice between passive income and 9-5 job." (October 2024)
- 4. Image of Woman holding several \$100 and \$50 dollar bills (April 2024)
- 5. "Unlimited Earning Potential Grow your income at your pace." (Image of man counting \$100 dollar bills) (September 2024)
- 6. "LifeWave presents an opportunity to make a residual income of 7 figures per year!" (August 2024)
- 7. "Folks went from health problems and being broke to healthier bodies and financial freedom." (October 2024)

Product Performance Claims

- 1. "Benefits can be immediate! LifeWave X39™ goes to work the minute you apply it. Increased Strength, Reduced Inflammation, Rapid Wound Healing, Increased Sports Performance & Recovery, Restored Muscle or Skeletal Conditions, Energy, Vitality, Joy & Stamina, Mental Clarity, Supports Hair Quality Skin Appearance & Wrinkle Reduction" (September 2024)
- 2. "This breakthrough technology has been scientifically proven to enhance energy levels, reduce pain and inflammation, improve sleep quality, and even promote youthful skin."

Company's Position

LifeWave did not attempt to substantiate the claims identified by DSSRC and instead took action to contact the salesforce members who were responsible for the posts and requested that the posts be removed.

The Company was successful in removing the seven earnings claims and two product claims at issue in the subject inquiry. LifeWave further provided screenshots confirming the removal of the claims.

Through this inquiry, LifeWave identified a salesforce member who had repeated offenses of disseminating unsubstantiated claims. In response, the Company suspended the identified salesforce member for a period of three months, at which time the member will undergo additional compliance training.

LifeWave expressed to DSSRC that it has continued to actively expand its ability to efficiently monitor and resolve problematic online content. The Company maintained that its Policies and Procedures are up to date with current regulatory requirements. LifeWave noted that its Policies and Procedures provide guidelines and expectations for the Company's salesforce members. The Company also works to ensure that its salesforce members disseminate complaint claims through training programs and tools to provide its salesforce with clear guidance.

LifeWave further noted that the Company has an established history of actively monitoring online content and taking action to correct any improper posts or behaviors. Specifically, the Company pointed to its compliance department's efforts in identifying and resolving over 2,000 incidents involving improper online content.

The Company expressed its continued commitment to exercising ongoing, good faith efforts to ensure that LifeWave salesforce members will refrain from communicating similar claims as those identified in the present inquiry.

Administrative Closing

DSSRC expressed its appreciation to LifeWave for their good faith efforts in removing the claims at issue in this inquiry. DSSRC determined that the Company's actions were necessary and appropriate.

Earnings Claims

The Federal Trade Commission's (FTC) Business Guidance for Multi-Level Marketing ("the FTC Guidance"), states that "any earnings claim should reflect what the typical person to whom the representation is directed is likely to achieve in income, profit, or

appreciation." Moreover, an MLM or individual participant making claims about income or the lifestyle a business opportunity may provide must have a reasonable basis for doing so.² This includes "reliable, empirical evidence demonstrating that the typical person in the group . . . is likely to realize . . . an amount equal to or greater than that conveyed by the earnings or lifestyle claim." The FTC Guidance further notes that given the reality of MLM experiences, even truthful testimonials of individuals who earn large amounts of money or career-level money is atypical to the what most MLM participants will achieve. Therefore, presenting atypical earnings "is likely to generate a deceptive impression" of the earning potential of a given business opportunity.⁵

The DSSRC Guidance on Earnings Claims for the Direct Selling Industry ("the DSSRC Earnings Claim Guidance") addresses the issue of "unlimited income" claims by stating that such claims should be avoided when communicated to prospective or current salesforce members. The DSSRC Earnings Claim Guidance further notes that "[s]ome 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...". Additionally, claims that either "expressly state or imply through visual images . . . that participation in a direct selling business is likely to result in the ability of the participants to live a lavish or extravagant lifestyle" are prohibited on social media. 8

In the subject inquiry, LifeWave's concerted action to contact the salesforce members responsible for the earnings claims identified by DSSRC resulted in the successful removal of all seven of the social media posts identified by DSSRC.

Product Claims

The FTC, in its Health Products Compliance Guidance, defines competent and reliable scientific evidence as "tests, analyses, research, or studies that (1) have been conducted and evaluated in an objective manner by experts in the relevant disease, condition, or function to which the representation relates; and (2) are generally accepted in the profession to yield accurate and reliable results." This research must be "sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true."

The Company did not provide testing data to DSSRC to support the representations that its products are effective at reducing inflammation, increasing rapid wound healing, enhancing sleep and energy levels, or improving hair and skin appearance. In the absence of such data, DSSRC agreed that the Company's efforts to remove these posts from the respective social media platforms were warranted.

Accordingly, DSSRC appreciated the actions taken by LifeWave to remove the two social media posts which communicated unsupported performance claims.

Conclusion

LiveWave promptly addressed DSSRC's concerns by facilitating the removal of all seven earnings claims and the two product performance claims that were the subject of the inquiry. DSSRC determined that the Company's good faith actions were necessary and appropriate and administratively closed the inquiry.

Company Statement

"LifeWave is committed to being an exemplary corporate citizen by striving to promote only the best business practices at the corporate and brand partner levels. In recognizing the vital importance of maintaining compliance with regulatory standards, LifeWave continually focuses its efforts on bolstering its compliance personnel and internal resources, updating and maintaining its Policies & Procedures to reflect current regulatory needs, utilizing top compliance monitoring systems and platforms, and developing compliance training programs and tools to provide its Brand Partners with clear guidance for a deeper understanding of best practices."

(Case #199, Closed on 3/3/25) ©2025. BBB National Programs

- [1] *See* Fed. Trade Comm'n, Business Guidance Concerning Multi-Level Marketing, Section 13 (April 2024) https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing#deceptive.
- [2] *Id.* at Section 18.
- [3] *Id*.

[4] *Id*. at Section 13.

[5] *Id*.

- [6] Direct Selling Self-Regulatory Council, Guidance on Earnings Claims for the Direct Selling Industry, Section 6 (2022). dssrc_guidanceonearningsclaimsforthedirectsellingindustry.pdf
- [7] Id. at Section 6(A)
- [8] Id. at Section 5, Example 3
- [9] Fed. Trade Comm'n, Health Products Compliance Guidance, Section B. Substantiating Claims, 12. https://www.ftc.gov/system/files/ftc_gov/pdf/Health-Products-Compliance-Guidance.pdf

[10] *Id*.

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