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Case #210-2025: Monitoring Inquiry – LiveGood, Inc. USA

BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council Case #210-2025: Monitoring Inquiry – LiveGood, Inc. USA

Company Description

LiveGood Inc. USA ("LiveGood" or the "Company") is a direct selling company that sells a variety of multivitamins, CBD oils, and supplements with a focus on sleep aids, inflammation management, muscle recovery, and weight management. The Company is headquartered in Jupiter, Florida and was founded in 2022.

Basis of Inquiry

Case #210-2025: Monitoring Inquiry - LiveGood, Inc. USA - BBB National Programs

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 product and income claims in the direct selling industry.

This inquiry included 18 earnings claims and six product performance claims. DSSRC was concerned that the representative claims below communicated the message that the Company's salesforce members can generally expect to earn significant income from the LiveGood business opportunity and that the Company's products are efficacious in addressing serious health-related conditions. The social media posts were disseminated on Facebook, Instagram, and TikTok.

The claims identified by DSSRC in this inquiry were as follows:

Earnings Claims

Financial Freedom Claims

1. "Dreaming of financial freedom?"

(October 2024)

2. " Hurry Sign up now and take the first step towards financial freedom with LiveGood ! "

(August 2024)

3. "Unlock your path to financial freedom with LiveGood.

Ready to break free from financial limitations?

Join LiveGood today and start your journey to financial independence. 📥 " (July 2024)

4. "financial freedom"

 $(December 2023)^1$

"Make as much as/Up to \$2,047 a month" Claims

- "Everyone can *Sign up* here and take the first step towards financial freedom with LiveGood:" Image with copy stating "Earn \$2,047/Month" (May 2024)
- 2. Screenshot of commissions with copy stating "Achieve monthly numbers like these by progressing with our affiliate networking, no experience needed and start making as much as \$2047 a month, with only an initial investment of \$60! 💼 💰 " (September 2024)
- 3. "Join LiveGood's compensation plan by working at home, no experience needed and start making as much as \$2047.50 a month, with only an initial investment of \$50! is 3." (September 2024)
- 4. "Create residual income by progressing with our affiliate networking, no experience needed and start making as much as \$2047 a month, with only an initial investment of \$60! 💼 💰 "³ (September 2024)
- 5. "Start off by making as much as \$2047.50 as an unranked affiliate for us 🔶 💰 " (September 2024)
- 6. "Chance to Earn up to \$2,047/Month Even Without Sponsoring Anyone" (November 2024)

Miscellaneous Income Claims

- 1. Screenshot of commissions with copy stating "Many people earn thousands of dollars every month in LiveGood. Others have quit their regular job and are full-time busy with LiveGood now." (July 2024)
- "Join LiveGood's team today with a 50 dollar investment using the link below or in bio and make four digits a month (\$2000+)"⁴ (September & October 2024)

Product Performance Claims

1. "Best health products supplements are here in livegood

Best of the Best products for low prices[™] Those with ✔ stroke

- cancer
- Diabetes
- Kidney
- arthritis
- Liver disease
- heart diseases
- High blood pressure

All in one it has 60 capsules" (May 2023)

2. "Do you experience pain, gout, or arthritis? LiveGood's Factor4 could be the solution for you!"

(November 2023)

- 3. "Benefits of CBD oil:
 - Offset Anxiety and Depression
 - Aid in Select Epilepsy Syndromes
 - Reduce PTSD Symptoms
 - Help with Opioid Addiction
 - Alleviate ALS Symptoms
 - Relieve Unmanageable Pain
 - Ease Diabetic Complications
 - Inhibit Arthritis Symptoms
 - Protect Against Neurological Disease" (October 2024)
- 4. "1. Pain relief; 2. Anxiety and stress reduction; 3. Improved Sleep; 4. Potential to reduce medication dependence"

(June 2023)

5. "Indications: Prevention and addressing cognitive issues for Dementia, Alzheimers, ADD, ADHD, Brain Fog, Depression, Focus and Memory issues."

(October 2023)

6. "I started with 6 Products on February 13th, 2023 and added the rest, one by one during the 8+ months of taking LiveGood Products, the latest product being the Methylene Blue Nootropic.

A few of the whole lengthy list of benefits I achieved are:

-I no longer live life from bed. That happened before the end of the first week. I only go to bed now when I'm ready to go to sleep. -I now get 6-8 hours of sleep per night. This was a miracle for me because for the last 40 years as a single Mom, on a regular basis, I

would stay up for 3 days, get a couple of hours of sleep and be up again for another 3 days. I no longer do that!

-Fibromyalgia is GONE. I have suffered with it since the late 90s.

-My Allergies are GONE. I have suffered from sinus flu several times a year since 1985.

-My Edema is GONE. I suffered with edema, mostly in my legs, for a good 20 years.

-My marshmallow muscles, from living life in bed, now have mass and are getting stronger every day.

-My bad knee obtained in 1981 doesn't pop, grind or hurt any longer. I was discharged from the Army prior to boot camp due to the damage to my knee in a car accident, and I'm no longer limping on it.

-I have stronger white nails that were translucent and weak.

-I have new healthier hair growth to the point that I no longer have thinning hair or bald spots anymore. Growth has increased from an inch every 3 to 6 months to over an inch per month.

-My dry skin is healthier again with less wrinkles and flaky patches. It's so soft. -My body is toning up from head to toe.

-AND I've lost 60lbs in 8 months WITHOUT TRYING!"

(October 2023)

Company Position

Earnings Claims

LiveGood did not attempt to substantiate the earnings claims communicated in the social media posts that were the subject of this inquiry. Rather, it voluntarily attempted to contact the salesforce members that were responsible for disseminating the posts. The Company stated that it was successful in removing five of the 18 social media posts identified by DSSRC and that it had "… emailed all of the remaining people who had concerning posts." The Company provided DSSRC with a copy of the correspondence sent to the individuals responsible for communicating the claims.

Product Performance Claims

LiveGood informed DSSRC that the identified posts contained unauthorized claims and notified DSSRC that it had promptly removed five of the six product performance claims at issue and attempted to contact the salesforce member responsible for the remaining social media post.

With respect to the product performance claim that remains publicly accessible, the Company provided DSSRC with copies of the correspondence that was sent to the salesforce member responsible for disseminating the social media post as a demonstration of its good faith efforts to address DSSRC's concerns.

Analysis

Earnings Claims

Of the 18 earnings claims identified by DSSRC in this inquiry, LiveGood was successful in removing five of the posts.⁵ DSSRC notes that all of the remaining social media posts were disseminated within the last 12 months.

During the course of a self-regulatory inquiry, when a company informs DSSRC that it has attempted to reach out to a salesforce member to have a claim or post removed, DSSRC will request a demonstration that the Company has made a good faith effort to respond to the identified issues. More specifically, DSSRC will request additional information regarding the salesforce member's status – i.e., if the individual responsible for disseminating the post is still an active salesforce member. DSSRC will additionally request copies of the correspondence sent by the company to the individuals responsible for disseminating the posts appear, to advise them of the unauthorized claims and provide DSSRC with a copy of that correspondence. Finally, DSSRC will ask the Company to consider posting a statement in the comment section of the posts to inform viewers that the claims at issue have not been authorized by the company and that the company has attempted to contact the individual responsible for the post to have it removed.

Pursuant to the Federal Trade Commission's (FTC) 1984 Policy Statement Regarding Advertising Substantiation (the "FTC Policy Statement"), advertisers are required to have a reasonable basis for advertising claims before they are disseminated.⁶ In addition, the FTC Policy Statement states that,

"[o]bjective claims for products or services represent explicitly or by implication that the advertiser has a reasonable basis supporting these claims. These representations of substantiation are material to consumers. That is, consumers would be less likely to rely on claims for products and services if they knew the advertiser did not have a reasonable basis for believing them to be true. Therefore, a firm's failure to possess and rely upon a reasonable basis for objective claims constitutes an unfair and deceptive act or practice in violation of Section 5 of the Federal Trade Commission Act."⁷

In addition, the FTC's 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."⁸ Moreover, an MLM or individual 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.⁹ 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."¹⁰ The FTC Guidance further notes that given the reality of MLM experiences, even truthful testimonials of

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individuals who earn large amounts of money or career-level money is atypical and not representative to what most MLM participants will achieve.¹¹ Therefore, presenting atypical earnings "is likely to generate a deceptive impression" of the earning potential of a given business opportunity.¹²

It is also a core principle of the DSSRC Guidance on Earnings Claims for the Direct Selling Industry ("the DSSRC Earnings Claim Guidance") that it is misleading for a direct selling company and/or its salesforce members to make any earnings claim unless the direct selling company and/or its salesforce members: (A) have a reasonable basis for the claim at the time the claim is made; and (B) have documentation that substantiates the claim at the time the claim is made."¹³ Moreover, claims such as "full-time income" should be avoided when communicated to prospective or current salesforce members.¹⁴ It is further noted 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…".¹⁵

DSSRC was particularly troubled by the nine remaining social media posts that referenced "making as much as \$2047.50 a month" through participation in the Company's business opportunity. This same claim was brought to the attention of LiveGood by DSSRC in a 2023 inquiry with the Company.¹⁶ In the 2023 inquiry it was the Company's position that it may be possible for salesforce members to earn \$2,047.50 per month and that this statement is not considered an earnings claim. The Company argued that consumers and prospective salesforce members would not interpret the claim as a guarantee of earning the stated amount. Instead, the Company asserted that the message conveyed by the claim was simply that it *may be possible* for salesforce members to earn \$2,047.50 per month. Notwithstanding the Company's position, it removed the post, an action DSSRC determined was necessary and appropriate.

"Up to" claims are often used in advertising to suggest that consumers could achieve significant results—whether it's savings, discounts, or benefits, though the reality is that these results might not be typical or achievable for the average person. For example, an advertisement for a weight loss supplement that claims "lose up to 20 pounds in a month" might mislead consumers into believing that everyone who uses the product can expect those kinds of results, even though such results may only apply to a small subset of users under ideal circumstances. In June 2012, the FTC published a report addressing the use of "up to" claims in advertising.¹⁷ The report was a response to concerns over misleading advertising practices, particularly those that promise consumers the possibility of achieving maximum results, but without providing clear evidence that these outcomes are actually likely to occur under normal conditions. According to the FTC, advertisers who make these types of promises must be able to prove that the average consumer is likely to achieve the maximum results shown in the advertisement, especially under normal, everyday conditions.¹⁸ This means that if an advertiser claims consumers can achieve "up to" a certain benefit, they must have sufficient evidence—like studies, data, or other proof—that supports the likelihood of these results being achievable for a broad group of consumers, not just a select few.¹⁹

Here, nine of the social media posts that included the claim of making "as much as" or "up to \$2,047.50 a month" remain publicly accessible and although the Company did provide proof to DSSRC that it had attempted to contact the salesforce members responsible for disseminating the posts and request that they be removed, LiveGood did not provide evidence to DSSRC demonstrating that it contacted the social media platforms where the posts appear in an effort to facilitate removal of the posts or add a remark (when possible) in the comment section of the posts indicating the claims were not authorized by the Company.

Moreover, as DSSRC has noted in past inquiries,²⁰ if the posts were made by active salesforce members who had been unresponsive to the Company's requests to remove or modify the posts, DSSRC would expect the Company to pursue the appropriate enforcement mechanisms (i.e., termination or suspension of the individual's account) that are available to the Company pursuant to its contract with the salesforce members as demonstration of its good faith efforts to address DSSRC's concerns and to ensure compliance and accountability among its salesforce members. However, LiveGood did not respond to DSSRC's request regarding the status of the salesforce members who disseminated the social media posts that remain accessible to consumers.

In sum, while DSSRC appreciated the actions taken by LiveGood to remove several of the earnings claims at issue, it was concluded that it is incumbent on the Company to take further steps to facilitate the removal of the unsupported earnings claims that overstate the amount of income that can be generally expected by participants in the LiveGood business opportunity.

Product Performance Claims

LiveGood facilitated the removal of five of the six product performance claims at issue, an action DSSRC determined was necessary and appropriate as the Company did not attempt to substantiate the claims.

The remaining product performance post claimed that LiveGood products are effective for a number of serious health-related conditions including, among other conditions, stroke, cancer, diabetes, liver disease, and heart disease.

As the FTC notes in its 2022 Health Products Compliance Guidance ("the FTC Health Products Guidance"), the first step in evaluating the truthfulness and accuracy of advertising and marketing materials is to identify all express and implied claims conveyed to consumers acting reasonably.²¹ Advertising often conveys claims beyond those that are directly or expressly stated. The FTC Health Products Guidance notes "[u]nder FTC law, a marketer is equally responsible for the accuracy of claims suggested or reasonably implied in advertising." Marketers can't suggest benefits, safety, or other characteristics about their product indirectly that they couldn't claim directly."²²

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Regulatory legal principles focus not on the marketer's intent, but on the consumer's understanding. This is a "consumer-driven" focus which looks to what "reasonable consumers understand the advertising or marketing materials communicate about the

product."²³ Therefore, marketers should not solely focus on individual phrases or statements when identifying claims conveyed by an ad. Rather, marketers "should consider each ad as a whole, assessing the 'net impression' conveyed by all elements of the ad, including the text, product name, and any charts, graphs, and other images."²⁴ Ultimately, the advertiser or marketer is responsible for substantiating each interpretation of an ad when it lends itself to more than one reasonable interpretation.²⁵

While the FTC expects that advertisers have a reasonable basis for all product claims, the standard of substantiation for health-related product claims is particularly rigorous. The FTC has defined the health claim substantiation standard as requiring "competent and reliable scientific evidence" in the form of "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."²⁶ Health claim substantiation evidence must generally take the form of randomized, controlled human clinical trials ("RCT"), with animal and in vitro studies generally being insufficient without RCT confirmation, and anecdotal evidence being insufficient.²⁷ Moreover, the evidence relied upon must be relevant to the advertised product with respect to, among other things, dosage, formulation, and method of administration.²⁸

As noted in the previous earnings claims section of this report²⁹, if an active LiveGood salesforce member is responsible for disseminating the post and is not responsive to the Company's request to remove the subject product performance claim, DSSRC recommends that the Company initiate the appropriate enforcement actions pursuant to its Policies & Procedures. This may include either suspending or terminating the salesforce members' accounts.³⁰

In addition, if the subject claim was made by a former salesforce member, DSSRC recommends that LiveGood contact Facebook in writing to request removal of the subject claim or post and post a remark in the comment section of the post informing the public that the product performance claims made in the post have not been authorized by the Company.

DSSRC will continue to monitor representative samples of earnings claims and product performance claims made by LiveGood. Should a consistent pattern of unsupported representations regarding the amount of income the typical Company business opportunity participant can earn and/or unsupported health claims be identified, DSSRC will commence a compliance inquiry pursuant to the DSSRC Policies & Procedures.

Conclusion

LiveGood took action to facilitate the removal of 10 of the 24 social media posts at issue in this inquiry and provided DSSRC with copies of the correspondence sent to the individuals responsible for the remaining 14 posts. DSSRC concluded that the Company's actions were necessary and appropriate.

With respect to the remaining posts at issue, DSSRC recommended that the Company pursue the appropriate internal enforcement mechanisms pursuant to LiveGood's Policies & Procedures, including the termination or suspension of the individuals' account if the posts were made by active salesforce members with the Company and they have been unresponsive to LiveGood's requests to remove or modify the posts. DSSRC also requests that LiveGood attempt to contact the social media platform where the posts appear to advise them of the unauthorized claims and provide DSSRC with copies of that correspondence. Finally, DSSRC recommends that the Company post a statement in the comment section of the posts to inform viewers that the claims at issue have not been authorized by the Company and that LiveGood has attempted to contact the individual responsible for the post to have it removed.

Failure of Company To Provide an Adequate Company Statement

Although LiveGood provided a Company Statement to DSSRC for inclusion in this report, it was determined by DSSRC that the Company Statement was insufficient. Specifically, LiveGood did not commit to adhere to DSSRC's recommendations, as mandated under Section VI(D) of the DSSRC Policies & Procedures. This included the recommendation for LiveGood to contact the relevant social media platforms to advise them of posts that include unauthorized earnings claims and that remain publicly accessible, and to provide DSSRC with documentation of that communication. However, because LiveGood did take steps to facilitate the removal of several of the social media posts at issue and provided DSSRC with copies of the correspondence sent to the individuals responsible for the remaining publicly accessible posts, DSSRC determined that a government referral was not warranted at this time. Notwithstanding, DSSRC will continue to closely monitor the earnings claims disseminated by the Company (particularly claims that LiveGood salesforce members can earn "as much as" or "up to \$2,047.50 a month" or similar language) and will initiate a compliance inquiry should it identify an ongoing pattern of unsupported earnings claims.

(Case #210, closed on 4/07/25) © 2025 BBB National Programs. [1] DSSRC identified this unqualified "financial freedom" claim in two different social media posts that were disseminated in December 2023.

[2] DSSRC identified this quantified earnings claim in three different Instagram posts that were disseminated in September 2024.

[3] DSSRC identified this quantified earnings claim in two different Instagram posts that were disseminated in September 2024.

[4] DSSRC identified quantified earnings claim in two different Instagram posts that were disseminated in September and October, 2024.

[5] The one social media post listed as #2 in the "Financial Freedom Claim" section of the Basis of Inquiry remains publicly available. The nine remaining posts making the claim that LiveGood business opportunity participants can earn "up to/as much as \$2047.5 a month" are #2, #3 (three posts), #4 (two posts), #5, #6, and #7 as listed in the Basis of Inquiry. The two remaining posts which communicate an earnings claim are listed as #2 in the "Miscellaneous Income Claim" section of the Basis of Inquiry.

[6] Fed. Trade Comm'n, FTC Policy Statement Regarding Advertising Substantiation (Nov. 23, 1984). https://www.ftc.gov/legal-library/browse/ftc-policy-statement-regarding-advertising-substantiation.

[7] Id.

[8] 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.

[9] Id. at Section 18.

[10] *Id*.

[11] Id. at Section 13.

[12] *Id*.

[13] Direct Selling Self-Regulatory Council, Guidance on Earnings Claims for the Direct Selling Industry, Section 1 (2022). dssrc_guidanceonearningsclaimsforthedirectsellingindustry.pdf.

[14] Id, at Section 6.

[15] *Id.* at Section 6(A).

[16] *See* Case #148-2024: Monitoring Inquiry – LiveGood, Inc. USA at https://bbbprograms.org/programs/advertising/dssrc/cases/live_good.

[17] Fed. Trade Comm'n., FTC Report: Many Consumers Believe "Up To" Claims Promise Maximum Results (June 29, 2012), https://www.ftc.gov/news-events/news/press-releases/2012/06/ftc-report-many-consumers-believe-claims-promise-maximum-results; *see also* Fed. Trade Comm'n., Effects of a Bristol Windows Advertisement with an "Up To" Savings Claim on Consumer Take-Away and Beliefs (June 2012), https://www.ftc.gov/reports/effects-bristol-windows-advertisement-savings-claim-consumer-take-away-beliefs (FTC commissioned study indicating that consumers are likely to believe they will achieve the maximum "up to" results if that language is used by marketers).

[18] *Id*.

[19] See Fed. Trade Comm'n, Business Guidance Concerning Multi-Level Marketing, Sections 17–18 (April 2024) https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing#deceptive (notes that business and their salesforce need to have reliable, empirical evidence for claims made and anecdotal observations or atypical accounts are insufficient to support claims made).

[20] See Scout & Cellar, (DSSRC Case # 182-2024) and Young Living Essential Oils (DSSRC Case#13-2020).

[21] Fed. Trade Comm'n., Health Products Compliance Guidance, Section III (A)(1) (December 2022) https://www.ftc.gov/system/files/ftc_gov/pdf/Health-Products-Compliance-Guidance.pdf.

[22] *Id*.

[23] *Id*.

[24] *Id*.

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[25] Fed. Trade Comm'n., Health Products Compliance Guidance, Section III (A)(1) (December 2022) https://www.ftc.gov/system/files/ftc_gov/pdf/Health-Products-Compliance-Guidance.pdf.

- [26] Id. at Section II (A), Section III (B).
- [27] Id. at Section III (B), Section III (B)(2).
- [28] *Id.* at Section III (B)(5).
- [29] Supra Part IV. Earnings Claims, p. 7.

[30] *Id*.

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