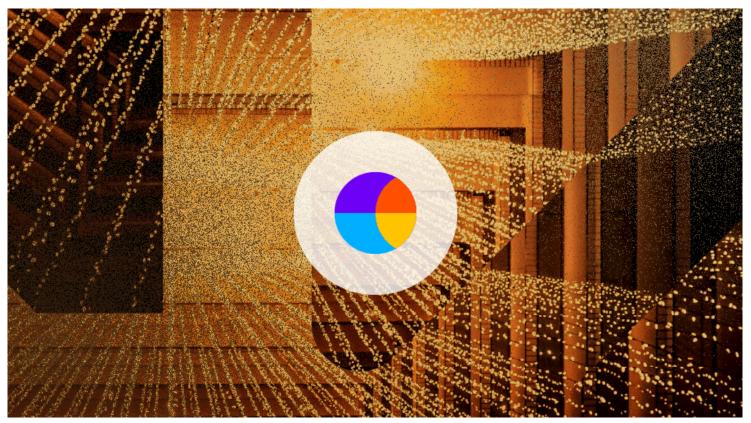
- RMAI Services
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BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council Case #218-2025: Administrative Closure - Lyconet America, Inc.

Company Description

Lyconet America, Inc. ("Lyconet" or the "Company") is a network marketing company that was launched in the United States in 2019 and is headquartered in Fort Lauderdale, Florida. Lyconet provides a business model centered around promoting the myWorld Benefit Program. This reward program allows customers to receive cashback and shopping points when making purchases through a network of affiliated merchants.

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 routine, independent oversight of advertising practices within the direct selling industry. The focus of the review was income-related claims made by members of Lyconet's salesforce. DSSRC was concerned that the claims cited below could convey the impression that the average Lyconet marketer is likely to receive significant income through the Company's business opportunity.

The representative claims that formed the basis of DSSRC's inquiry were all disseminated on Facebook and are set forth below:

Earnings Claims

- "Building a career as a part-time or full-time marketer from the comfort of your own home. It is no get rich overnight scheme. But if you are willing to work hard and stick to the proven business model, you can indeed over time make serious money. If you work really hard and in a consistent way, it is quite possible to in less than a year from now earn a whopping very regular passive income AND have steadily growing super assets in the myWorld company." (December 2020)
- "Should you decide to earn a little or unlimited income this is very unique & Uncommon business" (October 2020)
- "Hi there extremely good news! Be there, get rich! We're going public and you can become a shareholder for zero tariff Get money forever!" (February 2021)
- "MAKE YOUR FIRST \$1,000.00 FREE This is the only opportunity I know that makes actual residual income free." (August 2023)
- "You can earn unlimited income as Cashback Marketers or Merchant Marketers & it's free to join as Global Business.." (July 2023)

Financial Freedom Claims

- "Lyconet could be your ticket to the financial freedom festival and who doesn't love a good festival?" (February 2024)
- "Let's embark on this journey to financial freedom and business success together!" (June 2024)
- "Why I Chose myWorld and Lyconet: A Journey to Financial Freedom" (March 2024)
- "Unlock the power of financial freedom with Lyconet! #FinancialFreedom" (November 2024)
- "financial freedom" (October 2024)

Company's Position

In its response to the DSSRC Notice of Inquiry, Lyconet reaffirmed its dedication to maintaining transparency and accuracy in its marketing practices. The Company explained that most of the claims highlighted in the inquiry stemmed from outdated social media accounts operated by salesforce members who are no longer affiliated with the Company. Rather than seeking to substantiate the claims in question, Lyconet chose to take corrective action by removing or revising the relevant posts to address the concerns raised. To support DSSRC's review of these efforts, the Company initially provided a set of PowerPoint slides detailing the specific steps it had taken to remediate the issues identified in the inquiry. More specifically, Lyconet took immediate steps to address each of the non-compliant claims and successfully facilitated the removal of six of the 10 identified claims.

Regarding the remaining four social media posts, as a demonstration of its good faith efforts to address DSSRC's concerns, the Company confirmed that it contacted the former salesforce members to request their removal. Lyconet also reached out to Facebook to report the unauthorized posts and requested that they be taken down. The Company provided DSSRC with copies of all communications sent to the former salesforce members, as well as the documents submitted to Facebook, and the platform's response indicating that a review of the posts was underway.

Administratively Closed Resolution

DSSRC acknowledged and appreciated the actions taken by Lyconet to address its concerns and confirmed that the Company voluntarily facilitated the removal of six of the 10 social media posts at issue.

The Company also demonstrated to DSSRC that it exercised its best efforts to resolve the four remaining posts brought to its attention. DSSRC concluded that the Company's actions demonstrated good faith and were both necessary and appropriate.

The FTC's Business Guidance for Multi-Level Marketing ("FTC Guidance") states that any earnings claim must reflect what a typical individual in the target audience is likely to achieve in terms of income, profit, or other financial gain. The FTC Guidance emphasizes that substantial earnings are generally not representative of the average participant's experience. Therefore, promoting atypical earnings—such

as suggesting that a company representative will achieve financial security or financial freedom through the opportunity—may mislead prospective salesforce members. In this context, if a participant in a multi-level marketing (MLM) or direct selling opportunity makes an income or earnings claim, they must have a reasonable basis to support the representation. This includes having reliable, empirical evidence showing that the typical participant can generally expect to receive income that is equivalent to the amount of earnings that is conveyed in the claim. At a minimum, avoiding deception requires a clear, prominent, and unavoidable presentation of the typical participant's revenue, which must be substantiated.

With respect to the four publicly accessible posts that Lyconet was unable to have removed, the Company undertook several actions to address DSSRC's concerns. As acknowledged in prior self-regulatory inquiries 1, DSSRC understands that when a direct selling company, such as Lyconet, identifies a problematic product or income claim made by an individual who was active at the time but is no longer affiliated with the company, it may lack the authority to mandate removal of the content. Nonetheless, DSSRC encourages companies in such situations to make a genuine, good-faith effort to seek the removal of any noncompliant claims.

To demonstrate its good-faith efforts, Lyconet provided DSSRC with a copy of the correspondence it sent to the inactive salesforce members, requesting that the identified posts be removed. When those efforts were unsuccessful, the Company escalated the matter by contacting Facebook to report the unauthorized content and formally request its removal. This correspondence, along with Facebook's response confirming that the request was being processed, was also shared with DSSRC. Although the posts remain publicly accessible, DSSRC determined that the Company acted in good faith and exercised reasonable diligence in attempting to have the content removed.

Based upon the actions taken by Lyconet to address DSSRC's concerns, the inquiry was administratively closed.

Conclusion

DSSRC confirmed that six of the 10 earnings claims identified in the inquiry have been successfully removed. For the remaining publicly accessible posts, Lyconet demonstrated a good-faith effort to address DSSRC's concerns by reaching out to the inactive salesforce members and submitting removal requests to Facebook. The Company also provided DSSRC with copies of these communications to document its actions.

As a result of these actions, DSSRC administratively closed the inquiry.

Company Statement

"Lyconet is fully committed to truthfulness and transparency when promoting its business model and the associated business opportunity. Our favorable reputation with marketers and interested individuals alike, is something we highly value and are dedicated to upholding. To support this, we are actively enhancing our compliance efforts by expanding training programs and developing new tools for our marketers."

(Case #218, closed on 5/30/25) © 2025 BBB National Programs

[1] See MWR Life, LLC, DSSRC Case No. 83-22 (2022).

June 20, 2025

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