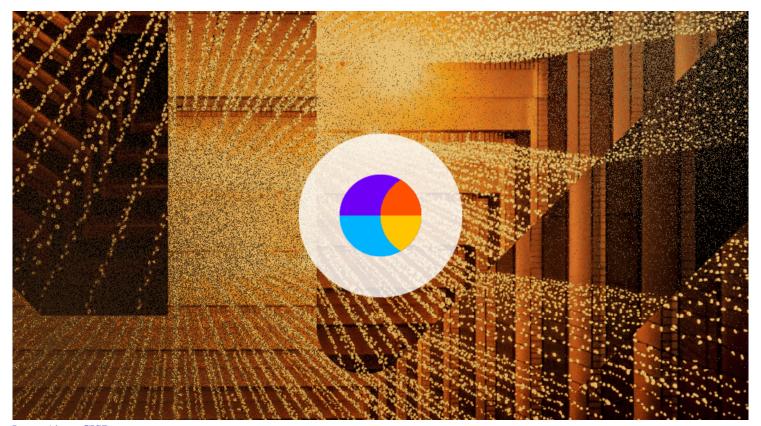
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Case #99-2023: Government Referral – Perfectly Posh, LLC

BBB NATIONAL PROGRAMS

The Direct Selling Self-Regulatory Council

Case Number 99-2022: Government Referral – Perfectly Posh, LLC

I. Company Description

Perfectly Posh, LLC ("Perfectly Posh" or the "Company") is a direct selling company based in Salt Lake City, Utah. The company was founded in 2011 and markets personal care and beauty products.

II. 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:

- "Do it to replace income. Enjoy the freedom, fun, & flexibility. Run YOUR hobby or business like YOU want to."
- "Whether you are looking for a discount on great products for yourself and your friends and family, or a side gig to add some extra income, or to replace a full-time income."
- "That's all it costs for a LIFETIME discount on Perfectly Posh products! Do it for yourself. Do it for some extra spending money.

 Do it to replace income."
- "Whether you just want extra money for vacations, or to pay down debt or to replace your full time income, I'm ready for you!"

Perfectly Posh LLC Case

III. Company's Non-Participation in the DSSRC Process

On November 18, 2022, DSSRC sent a Notice of Inquiry by email and USPS 2-day mail to Perfectly Posh at its Salt Lake City headquarters. Although Perfectly Posh does not provide a telephone number on the Company website, DSSRC also attempted to contact the Company at Perfectly Posh's publicly listed telephone number. However, the telephone number provided was a non-working number.

After the Company failed to respond within 15 business days, DSSRC continued to try to contact the Company and sent a 10-day notice by email and USPS 2-day mail on December 16, 2022, indicating that, if the Company failed to provide a response to DSSRC regarding the claims and issue within 10 business days, the matter would be referred to the appropriate government agency. Notwithstanding the additional opportunities to respond to DSSRC's inquiry, the Company did not provide a response to DSSRC's inquiry.

IV. Referral to the Government

DSSRC determined that the subject claims being disseminated by Perfectly Posh salesforce members on social media expressly and inaccurately claimed that Company's sales force members can replace their income by participating in the Perfectly Posh business opportunity.

As stated in section 13 of the FTC's 2018 Business Guidance concerning Multi-Level Marketers, business opportunities may claim that participants, while not necessarily becoming wealthy, can achieve career-level income. They may represent through words or images that participants can earn thousands of dollars a month, quit their jobs, "fire their bosses," or become stay-at-home parents. 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, 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," "career-level income," or any substantially similar statements or representations. Other terms, such as "passive income" and "residual income," are prohibited when they convey that income can be continuously earned by salesforce members with little or no ongoing effort.³

In accordance with section (V)(C)(4) of the DSSRC Policies and Procedures, in the event the company whose marketing is the subject of a DSSRC inquiry fails to participate in the self-regulatory process, DSSRC may refer the matter to an appropriate government agency for review and possible law enforcement action.

Accordingly, based upon Perfectly Posh's failure to respond to the self-regulatory inquiry and address DSSRC's concerns, this matter has been referred this matter to the Federal Trade Commission and the Utah Attorneys General Office.

(Case No. 99-2023. Closed on 1/17/23) © 2023. BBB National Programs

- [1] This same claim was appeared twice and was made by to different Perfectly Posh salesforce members. See https://www.facebook.com/groups/1354274221389844/posts/1586561714827759/ and https://www.facebook.com/groups/293038321033752/posts/919936891677222/.
- [2] See https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing
- [3] See section 6 of the DSSRC Earnings claim Guidance for the Direct Selling Industry.

1.24.23