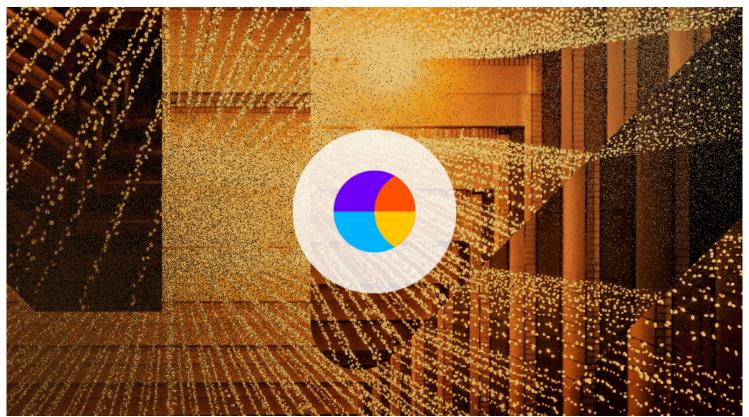
- <u>Vendor Privacy Program</u>
- Volkswagen Car-Net & Audi Connect

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# Case #120-2023: Monitoring Inquiry – Pure Haven, LLC

## **BBB NATIONAL PROGRAMS**

Direct Selling Self-Regulatory Council Case #120-2023: Monitoring Inquiry – Pure Haven, LLC

# **Company Description**

Pure Haven, LLC ("Pure Haven" or the "Company") is a direct-selling company founded in 2009 and based in Rhode Island. The Company markets household products and personal care products to consumers including a line of skin care products.<sup>1</sup>

# **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.

This inquiry concerned 12 earnings claims disseminated by Company salesforce members. The representative claims that formed the basis of this inquiry were communicated on Facebook, TikTok, and YouTube. Those representative claims are set forth below:

## Earnings Claims

- "financial freedom"<sup>2</sup>
- "someone who left corporate to be home with her boys...financial freedom"
- "... it's a great passive income for me... and I'm hoping when I retire this will be something huge"
- "add residual income or start a business full time. So many who lost income due to the pandemic are leveraging this opportunity"
- "Residual income?...Part time and full time"
- "I have the opportunity to earn money to pay for my cancer treatment and travel expenses"
- "residual income; #financialfreedom"
- "paid off all your debt and bought your dream home...drive a free Porsche that they pay for?...lead a large tea of people making lots of \$, earning free luxury trips"
- "pay off \$10k medical bills with Pure Haven earnings in less than a year; consultant pays off student loans with Pure Haven earnings in 2 years; takes dream trips to South African safari with 4 months of Pure Haven earnings; replace 6 figure income in 18 months"

- "replace your income"
- "paying an installment for a car; paying for a phone; pay my monthly expenses"

DSSRC was concerned that the representative social media posts identified above would imply to a reasonable consumer that the typical salesforce member of the Company could generally expect to earn significant or substantial income, pay off significant debt, or earn full-time income. In contacting the Company, DSSRC provided the Company with the DSSRC Guidance on Earnings Claims for the Direct Selling Industry and noted that section 6(a) states 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," and "time freedom."

## **Company's Position**

Pure Haven promptly responded to DSSRC's Notice of Inquiry. The Company did not attempt to substantiate the representative claims at issue in the inquiry but rather informed DSSRC that nine of the 12 social media posts identified in DSSRC's Notice of Inquiry had been removed from circulation on social media. As to the three posts that remained online, the Company informed DSSRC that two of the posts were from individuals that are no longer affiliated with the Company and that the Company was unable to identify the individual responsible for the one other post that remained online.

#### **Analysis**

DSSRC acknowledged and appreciated that the Company was promptly able to remove nine of the 12 social media posts identified in DSSRC's Notice of Inquiry.

Concerning the remaining claims stating that Company salesforce members can achieve "financial freedom" through participation in the Pure Haven business opportunity, DSSRC will evaluate any claim based upon the context in which the claim appears and the potential net impression of such claim to the intended audience, and some words and phrases commonly used in earnings claims can carry a particularly high risk of being misleading to consumers. Such words and phrases include claims such as "financial freedom," "full-time income," "replacement income," and "career-level income."

As to the remaining three social media posts that remain publicly accessible online and as set forth above, Pure Haven maintained that it was unable to determine the identity of the individual responsible for one of the posts and that the two remaining posts were disseminated by salesforce members that are no longer affiliated with the Company.

Given that these posts remain publicly available, DSSRC requests that the Company demonstrate to DSSRC that it exercised bona fide good faith efforts to have the posts removed or modified. DSSRC recognizes that removing social media posts that were communicated by inactive salesforce members can be a challenging endeavor for direct selling companies. As DSSRC has noted in previous self-regulatory inquiries, when a direct selling company is made aware of improper claims that were made by an individual who was an active salesforce member when such claim was made but has since become an inactive salesforce member of the company, DSSRC acknowledges that the direct selling company may not be able to require such salesforce members to remove a social media post. In that instance, DSSRC nonetheless recommends that the direct selling company make a bona fide good faith effort to have the improper claim removed.

Here, as demonstration of such good faith efforts, DSSRC recommends that the Company provide DSSRC with correspondence that has been sent to the two former salesforce members that are no longer affiliated with the Company requesting that their social media posts be removed.

In addition, DSSRC recommends that the Company take additional steps to remove such claims from the marketplace including utilizing any mechanism that social media platforms may have for removal of trademark or copyright violations. If the subject claim by a former salesforce member occurs on a website or platform without a reporting mechanism, DSSRC recommends that the Company should also contact the website or platform in writing and request removal of the subject claim or post. DSSRC also notes that companies in past DSSRC inquiries have also posted a comment on the applicable social media platform indicating that the subject post is not authorized by the company and that it has requested the individual responsible for the post have it removed.

### Conclusion

DSSRC expressed its appreciation to Pure Haven for its prompt attention to this matter and for its good faith efforts to promptly remove nine of the 12 posts identified in this inquiry, the removal of which DSSRC determined was necessary and appropriate.

DSSRC recommends that the Company provide DSSRC with correspondence that has been sent to the former salesforce members responsible for the two remaining social media posts requesting that such posts be removed. In addition, DSSRC recommends that the Company take additional steps to remove such claims from the marketplace including utilizing any mechanism that social media platforms may have for removal of trademark or copyright violations. If the subject claim communicated by a former salesforce member occurs on a website or platform without a reporting mechanism, DSSRC recommends that the Company should also contact the website or platform in writing and request removal of the subject claim or post. DSSRC also notes that, as a demonstration of good faith efforts to address DSSRC's concerns, several companies in previous inquiries have posted a comment on the applicable social media platform indicating that the subject post is not authorized by the company and that it has requested the individual responsible for the post have it removed. DSSRC recommends that the Company consider posting similar comments to address the social media posts at issue in this inquiry.

#### **Company Statement**

We appreciate DSSRC for bringing to our attention old social media posts made by independent Pure Haven consultants. We promptly reached out to the consultants in the findings and asked them to remove the posts due to noncompliance with our policies. We are pleased that all those who we could reach complied. We reiterate our policy about not making claims around income. Pure Haven will comply with DSSRC's recommendations regarding the claims made by those Consultants who are no longer with Pure Haven and will do all in our power to request those Consultants take the noncompliant postings down. The process will include reaching out personally to the previous Consultant by email and taking steps to report the noncompliant post to the appropriate social media site. Pure Haven will continue to monitor our field for noncompliant material on social media channels and reiterate DSA best practices. We appreciate the awareness this council brings to the companies and our industry.

(Case #120 HJS closed on 6/3/23) © 2023 BBB National Programs

- [1] https://shop.purehaven.com/#/shop/from/1?categoryID=51
- [2] DSSRC notes that general claims of "financial freedom" were identified in two posts disseminated by Pure Haven salesforce members.
- [3] Le-Vel Brands (Case#57-2021); Gano Excel USA, Inc. (Case #30-2020); Daxen, Inc. (Case #52-2021).

June 23, 2023