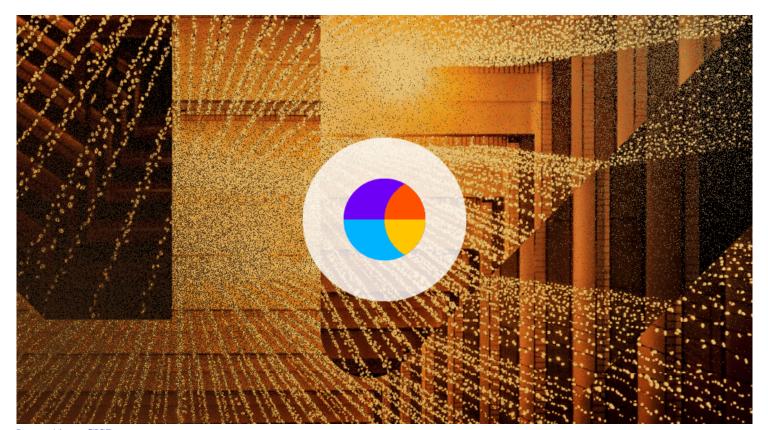
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Case #155-2024: Administrative Closure – Touchstone Crystal, Inc.

BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council Case #155-2024: Administrative Closure – Touchstone Crystal, Inc.

Company Description

Touchstone Crystal, Inc. ("Touchstone Crystal" or the "Company") is a multi-level direct selling company that sells jewelry and accessories.

Basis of Inquiry

The Direct Selling Self-Regulatory Council ("DSSRC") is a national advertising self-regulation program administered by BBB National Programs. This matter was commenced by DSSRC pursuant to DSSRC's ongoing independent monitoring of advertising and marketing

claims in the direct selling industry.

This inquiry concerned 16 representative earnings claims. DSSRC was concerned that the representative claims below communicated the message that the Company's business opportunity offers prospective salesforce members, among other things, "financial freedom," free trips or cars, and/or a significant income.

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

I just got back from my 9th incentive trip! \bigcirc \triangle $\not\sim$ \nearrow \nearrow \nearrow \nearrow \nearrow "

- · "financial freedom"
- Image with copy stating "One party a week = \$900 in income/month"
- "financial freedom"
- "Financial Freedom, Fun, Friends, Travel & SO much more♥
- Video of images from a trip with copy stating "Punta Cana Trip #freeincentivetrip"

I have paid off credit card debt.

Paid for family vacations.

And, now it's paying for household bills, 2 college tuition's, and maybe club volleyball? And, yes I've earned those "elusive trips", 9 in total so far!

- Here are a few facts...
- INCOME FACT.. Hold just 2- \$1000 parties/mo. & earn a \$600+ Super fun, flexible, and easy too!!...
- Be the YES Mom with a debt-free holiday
- Treat yourself to that much-needed vacation
- Pay off credit card or student debt
- Splurge on that fab handbag/pair of shoes
- Save for retirement, etc."

Ready to plan your dream getaway?"

- "financial freedom...
- "Need some extra cash every month?
- "Part time work with full time income :-). Do you need extra money?"
- Image with copy stating "As a New Consultant, you have the opportunity to earn up to \$2,4000 in cash and \$2,000 in jewelry."
- "Thank you, Touchstone Crystal for another unbelievable- AND FREE incentive trip!!!"
- [Video caption] "One of the things that I love about this business is the opportunity to earn free vacations... Yes, all inclusive resort! ... Why not join me and maybe even on a free trip! No of course I can't guarantee anything... But what I do now, this is so achievable and I can help you be there."
- "#bahamafun #touchstonecrystaltrip"
- [15:44] "I have earned so many free trips, free BMW.... If you are looking to make some extra cash, comment below, message me."
- "there are endless ways you can work this side gig and make the income you desire"
- "WANT it ALL? Come join the FUN & EARN an EXXTRA income while working from your phone...you can earn \$1800 in jewelry PLUS 4250 CASH COMMISSION in just your first month!!" [image] "Need a little more cash in your pocke[t] . . . \$850 a month with 1 party per week"

Company Position

The Company promptly responded to DSSRC's inquiry. Specifically, Touchstone Crystal informed DSSRC that it began contacting the 11 active and two inactive salesforce members responsible for disseminating the social media posts at issue in this inquiry to request that the claims be immediately removed. In addition, the Company informed DSSRC that it also sent personalized follow-up emails to each of the individuals contacted, detailing and documenting what was being called into question on their posts and why the Company was requesting removal of the posts. The Company also indicated that it included training materials with the emails that were intended to educate the salesforce members on the compliant dissemination of earnings claims. These materials contain guidance on where to locate information pertinent to the particular issue discussed in their posts.

As a result of these actions, Touchstone Crystal informed DSSRC that it was able to effectuate the removal of 15 of the 16 posts that were identified in DSSRC's Notice of Inquiry.

With respect to the remaining YouTube video regarding the Company's incentive trip, Touchstone Crystal initially advised DSSRC that it advised the salesforce member that had disseminated the video to remove it but that the salesforce member had instead added the following disclaimer: "*DISCLAIMER~ "Not a representation of what you will or may earn. Actual earnings and incentive achievement vary from person to person and depend on individual effort, skill and time devoted to the business. Consultant average incomes are published in our Income Disclosure Statement on our website." Touchstone Crystal noted that this disclaimer references the Company's Income Disclosure Statement (IDS) and that its IDS stated the percentage of Company salesforce members (consultants) that earn the incentive trip.

After reconsidering the sufficiency of the above stated disclaimer, the Company informed DSSRC that the salesforce member had removed the incentive trip video from YouTube.

Administrative Closing Summary

DSSRC appreciated the good faith efforts taken by Touchstone Crystal to address its concerns and confirmed the removal of the 16 social media posts that communicated earnings claims and that formed the basis of this inquiry. DSSRC determined that the Company's actions were necessary and appropriate.

Based upon the Company's good faith efforts to address the claims identified by DSSRC, DSSRC administratively closed the inquiry.

Company Statement

Touchstone Crystal is fully committed to truthfulness and transparency when promoting our business opportunity. Our favorable reputation with consumers and industry peers alike is a source of great pride for us and something we endeavor to protect. Our commitment to integrity is demonstrated by our long-standing membership in the DSA and our adherence to, and ongoing promotion of, the Association's Code of Ethics. With respect to the DSSRC, we appreciate the important work they do in providing oversight to ensure consumer protection within the direct selling industry. While our internal compliance team routinely monitors the social media sites of our Consultants, the sheer scope of the internet can prove somewhat challenging at times. When the DSSRC outreached to us, we took immediate action to have the questionable posts removed and provide additional education to the named Consultants. We will continue to identify and act on opportunities to provide further compliance training and tools to our sales force, with some, like social media templates, already underway.

(Administrative Closure #155, closed on 04/10/24) © 2024 BBB National Programs

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