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# Case #153-2024: Monitoring Inquiry – Trades of Hope LLC

## BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council  
Case #153-2024: Monitoring Inquiry – Trades of Hope LLC

### Company Description

Trades of Hope LLC (“Trades of Hope” or the “Company”) is a multi-level direct selling company that specializes in the sale of an assortment of goods including jewelry, personal accessories, home decor, and coffee. According to its website, Trades of Hope purchases its products from local artisans around the globe, including from Vietnam, Thailand, Cambodia, Uganda, Kenya, Peru, Mexico, Haiti, and the United States. The Company was founded in 2010 and is headquartered in Bunnell, Florida.

### 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 seven earnings claims disseminated by Company salesforce members, or partner members, on social media. The representative claims that formed the basis of this inquiry were communicated on YouTube and Facebook. Those representative claims are set forth below:

### *Earnings Claims*

- Trades of Hope partner Facebook Post #1:
  - “start earning an income immediately!”
- Trades of Hope partner Facebook Post #2:
  - “I’d been with Trades of Hope 9 months and I was swimming in accolades--accolades that had allowed me to write the biggest check of my life and pay off all our outstanding debt...earning an income”
- Trades of Hope partner Facebook Post #3:
  - “Looking for a side gig / JOY JOB?  
Want to earn extra income?”
- Image with copy stating “Ask me how you can EMPOWER WOMEN out of POVERTY and earn income at the same time”
- Trades of Hope partner Facebook Post #4:
  - “Want to earn extra income?” with \$ emoji
  - Image with copy stating “How to create a beautiful life of purpose and income!”
- Trades of Hope partner Facebook Post #5:
  - “more financial freedom for my family and families around the world... You’ve been a part of almost \$300,000 in artisan products sold”
- Trades of Hope partner Facebook Post #6:
  - “You can have this financial flexibility too, to earn an income where the sky is the limit...financial freedom”
- Trades of Hope Partner YouTube Video:
  - “I have sold over \$150,000 in my five years with Trades of Hope but because I got over my concern about being pushy and started inviting people to join me in doing an important work that I love so much and then those people invited others to join them, we’ve grown a team that sold \$150,000 in one month.”

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, achieve “financial freedom,” or earn full-time income.

### **Company’s Position**

The Company responded to DSSRC’s inquiry and engaged in a video conference with DSSRC during which it was discussed whether certain of the identified posts were salvageable by adding a clear and conspicuous disclosure of the income that could generally be expected by the typical Trades of Hope salesforce member. Following the call, the Company informed DSSRC that it implemented measures to address the social media posts identified above, including having certain posts removed and/or modified by adding a clear and conspicuous disclosure of generally expected results.

As a result of the Company’s efforts, Trades of Hope was able to effectuate the removal of Facebook posts #1 and #5 from circulation. In addition, the Company was able to have Facebook post #2 modified to remove the reference to “allowed me to write the biggest check of my life and pay off all our outstanding debt.” With respect to Facebook post #3 and the claim “Looking for a side gig / JOY JOB?... want to earn an extra income,” the Company had the post modified to add a clear and conspicuous disclosure of the earnings that could generally be expected by the typical salesforce member of Trades of Hope. The same disclosure was also added to Facebook post #6 stating “You can have this financial flexibility too, to earn an income where the sky is the limit...financial freedom.”

Facebook post #4 (“Want to earn extra income?” along with a \$ emoji and an image stating “How to create a beautiful life of purpose and income!”) and the YouTube video discussing earnings remained online and unmodified.

### **Analysis**

DSSRC acknowledged and appreciated that the Company was able to promptly have Facebook posts #1 and #5 removed and that the Company was able to have Facebook post #2 modified to remove the reference to “allowed me to write the biggest check of my life and pay off all our outstanding debt.” Similarly, with respect to Facebook post #3 and the claim “Looking for a side gig / JOY JOB?... want to earn an extra income,” DSSRC appreciated that the Company was able to modify the post to add a clear and conspicuous disclosure of the

earnings that could generally be expected by the typical salesforce member of Trades of Hope in close proximity to the earnings claim at issue.

With respect to any earnings claim, if the direct selling company does not have substantiation that the experience of the individual making the claim or who is the subject of the claim is representative of what the audience will generally expect to achieve, the advertisement (e.g., social media post) should clearly and conspicuously disclose the generally expected results in the depicted circumstance. The direct selling company must possess adequate substantiation for the representation of the generally expected results.<sup>1</sup> In addition, the disclosure should be close to the claim it modifies. A disclosure that is not near the triggering claim may be missed by consumers. For example, on social media posts that contain an image where the claim is present on the image, disclosure language should ideally appear on the image itself.<sup>2</sup>

Conversely, while a disclosure of the income that could generally be expected by the typical salesforce member of Trades of Hope was added to Facebook post #6, DSSRC determined that such disclosure was not sufficient to qualify the “earn an income where the sky is the limit...financial freedom” claim made in that post. As DSSRC noted in its Guidance on Earnings Claims for the Direct Selling Industry (the “Guidance”), “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.” It further stated in the Guidance 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,” and “time freedom.”<sup>3</sup>

Here, in the context of the social media post touting both “financial freedom” and “financial flexibility” along with the ability to “earn an income where the sky is the limit,” DSSRC determined that such post carries a high risk of being misleading to consumers and should be discontinued or significantly modified to remove the references to financial freedom and flexibility and that the “sky is the limit.” DSSRC determined that the addition of a disclosure of generally expected results does not salvage the post as it contradicts the main message of the claims contained in the post. As DSSRC states in the Guidance, “Depending on the level of success, some income claims and lifestyle claims may be so extraordinary that they cannot be effectively qualified by a disclosure of generally expected results.”<sup>4</sup>

As discussed above, Facebook post #4 (stating “Want to earn extra income?” along with a \$ emoji and an image with copy stating, “How to create a beautiful life of purpose and income!”) remained online and unmodified. As noted in Section 9 of the Guidance, “For purposes of a DSSRC inquiry, when evaluating express and implied messages communicated by an earnings claim, DSSRC will review the totality of the claim including its words, images, and context (e.g., hashtags, emojis, etc.), which may include other social media posts from the company or salesforce member disseminating the claims, to determine the “net impression” or takeaway message conveyed to the audience. The relevant audience to consider is that of a reasonable consumer when the claim is made to a general audience, such as by posting the claim on public social media or the internet.” Here, given the use of the \$ emoji and the image stating “How to create a beautiful life of purpose and income!” DSSRC concluded that one reasonable interpretation of the claim is that prospective salesforce members could earn significant income through the Company’s business opportunity. Accordingly, DSSRC recommended that Facebook post #4 either be discontinued or modified to clearly disclose the earnings that can generally be expected by the typical Trades of Hope salesforce member.<sup>5</sup>

The YouTube video discussing career and team earnings also remained online and unmodified. DSSRC similarly recommended that the video be discontinued or modified to clearly disclose the earnings that can generally be expected by the typical Trades of Hope salesforce member.

## Conclusion

DSSRC appreciated Trades of Hope’s good faith efforts to address DSSRC’s concerns at issue in this inquiry by facilitating the removal of Facebook posts #1 and #5. DSSRC also appreciated Trades of Hope facilitating the effective modification of Facebook posts #2 and #3 by having the problematic language removed from the former and by adding a clear and conspicuous disclosure to the latter. DSSRC determined that the Company’s actions were necessary and appropriate.

With respect to Facebook post #6, DSSRC appreciated the Company’s effort to add a conspicuous disclosure of the level of income that could generally be expected by the typical salesforce member. However, DSSRC determined that the disclosure is not sufficient to qualify the earnings claim made in the post and, accordingly, recommended that the potentially misleading language be discontinued or significantly modified to remove references to financial freedom and flexibility.

Facebook post #4 and the YouTube video remain unchanged. DSSRC recommended that the Company take additional steps to have the posts discontinued or modified to clearly disclose the earnings that can generally be expected by the typical Trades of Hope salesforce member.

## Company Statement

Trades of Hope is a proud, long-term supporter of the Direct Selling Association’s Code of Ethics. The Company believes that transparency is critical to having matched expectations with consultants and prospective consultants. The Company takes this obligation seriously. The Company has taken action, and will continue to take action on, any instances of concern raised by the DSSRC by reaching out to the salesforce members responsible for the unauthorized posts and when appropriate contacting the platform where the claim was disseminated to request removal of the post. Trades of Hope has already been successful with the majority of the claims at issue removed from circulation and continues its efforts to have the remaining posts removed. Trades of Hope will continue to provide the DSSRC with a description of our efforts including copies of the correspondence that are sent to the salesforce members who disseminated the posts that were the subject of this inquiry.

Trades of Hope reaffirms its commitment to industry self-regulation and to its consultants/prospective consultants through its ongoing efforts and focus on accuracy of income claims.

(Case #153, closed on 3/13/24)  
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[1] See section 11 of the DSSRC Guidance on Earnings Claims for the Direct Selling Industry.

[2] *Id.*, section 11(D).

[3] *Id.*, section 6.

[4] *Id.*, section 10.

[5] In this regard, DSSRC notes that the FTC Dot.com Disclosure Guide – Section III(C)(5): provides: “Online ads may contain or consist of audio messages, videos, animated segments, or augmented reality experiences (interactive computer-generated experiences) with claims that require qualification. As with radio and television ads, the disclosure should accompany the claim.” That document further provides as follows: “Display visual disclosures for a sufficient duration. Visual disclosures presented in video clips or other dynamic portions of online ads should appear for a duration sufficient for consumers to notice, read, and understand them. As with brief video superscripts in television ads, fleeting online disclosures are not likely to be effective.”

4.17.24

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