



July 15, 2024

VIA EMAIL

Peter C. Marinello, Director
Howard J. Smith, Attorney
Direct Selling Self-Regulatory Council
112 Madison Avenue, 3rd floor
New York, NY 10016
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Re: Illegal Income Claims by Arbonne International, LLC

Dear Peter and Howard:

We write to file a complaint with the Direct Selling Self-Regulatory Council against Arbonne International, LLC, a California-based multi-level marketing company that sells a variety of health and wellness products. As explained below, a TINA.org investigation has found that the company deceptively claims typical distributors can make money by participating in its business opportunity when that simply is not the case.¹

¹ Arbonne has been notified on multiple occasions regarding its improper use of atypical income claims in marketing materials, as well as the law that applies to such marketing claims. Not only has TINA.org sent two letters to Arbonne regarding its use of atypical income claims in marketing materials, the FTC has sent the company a warning letter as well. See Dec. 18, 2017 letter from TINA.org to Arbonne, <https://truthinadvertising.org/wp-content/uploads/2017/12/DSA-Income-Claims-Notification-Letters-w-Intro.pdf>; Feb. 14, 2024 letter from TINA.org to Arbonne, https://truthinadvertising.org/wp-content/uploads/2024/03/2_14_24-letters-from-TINA-to-MLM-companies_combined.pdf; April 24, 2020 letter from FTC to Arbonne, https://www.ftc.gov/system/files/warning-letters/covid-19-letter_to_arbonne_international_llc.pdf. Further, in October 2021, Arbonne received a Notice of Penalty Offenses from the FTC regarding the law that applies to earnings claims. FTC Penalty Offenses Concerning Money-Making Opportunities, <https://www.ftc.gov/enforcement/notices-penalty-offenses/penalty-offenses-concerning-money-making-opportunities>.

Arbonne's Typical Distributor Does Not Earn Money

According to Arbonne's most current Earnings Statement, "In 2023, a typical Arbonne Independent Consultant in the United States earned a median of \$191 in commissions and overrides." The Earnings Statement goes on to explain that "[t]he median is the midpoint of all Arbonne Independent Consultants who achieved earnings."² These statements raise two problematic issues: First, the median earnings figure does not take into consideration any business expenses; and second, the median earnings appear to exclude those distributors that did not achieve any earnings. Each issue will be addressed in turn.

When it comes to Arbonne business expenses, some company fees are charged to all Arbonne distributors (which the company refers to as Independent Consultants, or ICs). For example, Arbonne charges an initial registration fee (plus applicable tax and shipping costs) to anyone that joins the company and a yearly renewal fee (plus applicable tax) thereafter.³ In 2023 (and this year), the cost for either fee was \$99 plus tax⁴ (and shipping for the new consultant fee). Given that these are mandatory charges that every Arbonne distributor incurs, this expense should be taken into consideration by the company when calculating median earnings.

² Put another way, 50 percent of all Arbonne distributors, "who achieved earnings," grossed \$191 or less in total for 2023. Arbonne 2023 U.S. Income Disclosure Statement, https://embed.widencdn.net/pdf/plus/arbonne/bnavepu80y/US-EN_ICCS.pdf.

³ Pursuant to the U.S. Independent Consultant Agreement section 2.2, "Failure to pay the annual renewal fee by an IC will result in termination of the Agreement . . ."

⁴ Forty-five states and the District of Columbia charge statewide sales tax. *See* Tax Foundation, State and Local Sales Tax Rates, 2024, [https://taxfoundation.org/data/all/state/2024-sales-taxes/#:~:text=Combined%20State%20and%20Local%20Sales%20Tax%20Rates&text=The%20five%20states%20with%20the%20lowest%20average%20combined%20rates%20are,and%20Wisconsin%20\(5.70%20percent\)](https://taxfoundation.org/data/all/state/2024-sales-taxes/#:~:text=Combined%20State%20and%20Local%20Sales%20Tax%20Rates&text=The%20five%20states%20with%20the%20lowest%20average%20combined%20rates%20are,and%20Wisconsin%20(5.70%20percent)). By way of example, according to Arbonne's calculations, for a new New York City distributor, they would be charged \$99 for the initial registration fee, plus \$9.85 in taxes and an \$11.95 shipping fee, for a total expense of \$120.80; for a new Medford, Oregon distributor, they would not pay any taxes but would still incur the \$11.95 shipping fee.

This initial business expense reduces the typical Arbonne distributor earnings to no more than \$92 (or less when applicable taxes are taken into consideration).⁵ Further, after factoring in this \$99 annual expense, at least 35 percent of all Arbonne distributors would be left with \$36 or less for the year.⁶ However, it is unrealistic to think that Arbonne distributors do not incur any other business expenses related to their distributorships. The company states that there are various other costs its distributors may incur, including “event registration fees (vary by events), travel, office supplies, insurance premiums, products purchased for business purposes such as hosting parties or product demonstrations, etc.” In fact, Arbonne encourages its consultants to incur additional expenses.

The company acknowledges in its Earnings Statement that it “encourages Independent Consultants to participate in [select] event(s) as they offer training and resources that may not be available elsewhere,”⁷ and it refers to attendance at these events as “typical expenses.”⁸ Two of these events – the Global Training Conference and Path to Empower – are available to all distributors, including the 70 percent of Arbonne distributors that are at its lowest rank earning an average of \$265 (before expenses).

⁵ In certain marketing materials, including its website, Arbonne is still using 2022 data stating that “a typical Arbonne Independent Consultant in the United States earned \$172 in Commissions and overrides. This is based on the median earnings of all US ICs who were active business builders across all levels.” Arbonne homepage, <https://www.arbonne.com>. In 2022, the typical “active” distributor would have been left with a maximum of \$73 after paying Arbonne’s required annual fee.

⁶ The Arbonne Earnings Statement indicates that 70 percent of distributors are at the lowest rank in the company, “Independent Consultants,” and the median gross annual earnings for this cohort is \$135, which means half (or 35 percent of all Arbonne distributors) “earned” \$135 or less. https://embed.widencdn.net/pdf/plus/arbonne/bnavepu80y/US-EN_ICCS.pdf.

⁷ See Arbonne flyer for Global Training Conference (GTC) 2024 (“Attending GTC is a can’t miss event for Independent Consultants who would like to take their business to the next level.”) https://arbonne.widen.net/view/pdf/1xidgmxszs/2023R01_US_GTC2024_Incentive_flyer_Final.pdf?t.download=true&u=1y3ngz.

⁸ Arbonne 2023 U.S. Income Disclosure Statement, https://embed.widencdn.net/pdf/plus/arbonne/bnavepu80y/US-EN_ICCS.pdf.

According to the Earnings Statement, the three-day Global Training Conference in Las Vegas costs \$359 plus travel, lodging and meals⁹, and Path to Empower costs \$55. For the typical distributor attending the Las Vegas conference (either in person or virtually), they are losing money as an Arbonne distributor.¹⁰ For those who choose to forego the Las Vegas training conference and only attend Path to Empower, this expense would result in those that fall in the 35 percent of Arbonne distributors cited above losing money, and those that fall in the “typical” earnings category having a maximum of \$36 remaining for the year before factoring in any other business expenses that they may incur such as insurance, office supplies, and/or the purchase of Arbonne products for business-related purposes. In sum, when business expenses are taken into consideration, it is unrealistic to believe that the typical Arbonne distributor makes any money.

Moreover, it is likely that Arbonne improperly inflated the 2023 gross earnings that it equates to the typical distributor by failing to include those distributors that did not earn any commissions or overrides into its calculation. The Earnings Statement specifically states that “[t]he median is the midpoint of all Arbonne Independent Consultants *who achieved earnings.*” (emphasis added). This sentence expressly indicates that the company excluded those distributors who did not achieve earnings from its midpoint calculation. Further, Arbonne inconspicuously states in various places that a typical distributor may earn nothing.¹¹

⁹ For a cost of \$99, distributors could attend the 2024 Global Training Conference virtually. The lowest cost to attend the 2024 GTC was \$199 plus travel, lodging and meals, which would still wipe out any profits a typical distributor earned. Arbonne, GTC Accelerate 2024, <https://www.arbonne.com/us/en/gtc2024>.

¹⁰ The average Arbonne distributor at the lowest rank (which comprises 70 percent of the company’s salesforce) also lost money if they attended the conference.

¹¹ See, e.g., Arbonne, GTC Accelerate 2024, <https://www.arbonne.com/us/en/gtc2024> (“In 2022, a typical Arbonne participant in the United States and Canada earned between \$0 – \$250 in commissions and overrides.”)

When calculating the typical earnings of an Arbonne consultant, the company must include all distributors, even those that earned nothing, and factor in reasonable business expenses.¹² When this is done, it is clear that the typical Arbonne consultant makes no money or loses money.

Arbonne’s Deceptive Income Claims

Any claim that the Arbonne business opportunity provides any income is deceptive as it is not consistent with the typical net earnings of Arbonne distributors. As the FTC noted in its March 2024 letter to the DSSRC, “[s]hould expenses nullify income for many participants, any projected earnings claim—even an income claim for \$25 per week—is likely to leave a net impression that is deceptive.”¹³ In this case, expenses nullify income for at least half of all Arbonne participants.

Despite this bleak reality, Arbonne misleadingly claims in various marketing materials that distributors can make money with the company.¹⁴ For example, Arbonne’s Opportunity Brochure¹⁵ makes the following income claims, among others:

¹² As the FTC states,

MLMs should have access to reliable and substantiated information about expenses. But, if an MLM or MLM participant does not have access to data showing what participants typically spend pursuing the business opportunity (e.g., product or service purchases, website fees, party costs, and training or conference expenses), they should refrain from making any earnings claims.

FTC: Business Guidance Concerning Multi-Level Marketing, <https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing>.

¹³ Mar. 15, 2024 letter from FTC to DSSRC, https://www.ftc.gov/system/files/ftc_gov/pdf/3.15.2024DSSRCLetter.pdf. See also FTC: Business Guidance Concerning Multi-Level Marketing, <https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing>.

¹⁴ Arbonne Independent Consultant, <https://www.arbonne.com/us/en/join-us/independent-consultant>.

¹⁵ Arbonne Opportunity Brochure, <https://embed.widencdn.net/pdf/view/arbonne/6evvgwoqze/opportunity-brochure.pdf>.

We know you are interested in the bottom line:
How much can an Arbonne Independent Consultant earn?
 With traditional jobs, your boss determines when you get a raise or promoted. But when building an Arbonne business, *your time, skill, sales, and efforts determine your success.*

You are your own boss.

CREATE A FUTURE OF YOUR OWN DESIGN!

And when you encourage others to realize their own dreams, your potential to earn more grows even more. As you leverage your time by helping to guide, mentor and train your team, you'll be compensated as their Arbonne business grows and their sales volume increases.

THE MORE SUCCESSFUL YOUR TEAM MEMBERS ARE, THE MORE YOU CAN EARN.

“We know you are interested in the bottom line: How much can an Arbonne Independent Consultant earn? ... [W]hen building an Arbonne Business, your time, skill, sales, and efforts determine your success. You are your own boss. Create a future of your own design! And when you encourage others to realize their own dreams, your potential to earn more grows even more...”¹⁶

ARBONNE IS THE MOST FUN YOU'LL HAVE WHILE SELLING AND EARNING COMMISSIONS!

Change your life and the lives of others by sharing *extraordinary products* and an exciting business opportunity with them. *Share your journey*, innovative products, and the *Arbonne Opportunity* through your *social presence* to reach more potential customers and business builders than ever before. The natural act of caring and sharing what you love helps *build your Arbonne business.*

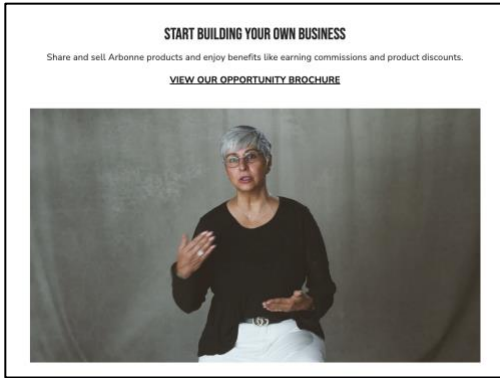
“Arbonne is the most fun you’ll have while selling and earning commissions! Change your life and the lives of others by sharing extraordinary products and an exciting business opportunity with them...”

In an Arbonne recruitment video on its website,¹⁷ several misleading earnings claims are made, including the following:

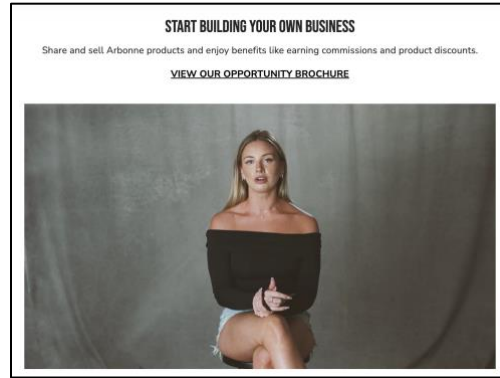
Voiceover: *“What if you could have a bit extra? What difference would that make in your life?”*

¹⁶ The FTC has cautioned against making claims that distributor earnings are tied to hard work without having proper substantiation for the claim. See FTC Business Guidance Concerning Multi-Level Marketing, <https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing>.

¹⁷ Arbonne, Join Us, Independent Consultant, video <https://www.arbonne.com/us/en/join-us/independent-consultant>.




“Your efforts, the time you put in, the commitment, your willingness to learn, that is reflected back to you directly in dollars and cents.”



“And so at the age of 21, when I decided that you could make an income from this business on my phone, I jumped in straight away...”¹⁸

Distributor testimonials on Arbonne’s website similarly claim that income from the business opportunity allowed them to contribute financially to their families:¹⁹



LORI LUCERO
Arbonne Independent Consultant
Executive National Vice President

My daughter was diagnosed with dyslexia at a young age. I believe “a little bit of Arbonne every day goes a long way,” and that was never more true than with my experience. My commitment to my Arbonne business helped me be able to provide her services to help her thrive. Because my business helped me be flexible, I was able to be there to pick her up and take her to extra treatments. Other Arbonne NVPs have even become like family — they are like aunts to both of my kids. The positive examples of personal growth and development with this opportunity are real, and my children see it every day. Today, my daughter has been accepted into a top college and we all can’t wait to see how she flourishes.

In 2022, a typical Arbonne Independent Consultant in the United States earned \$172 in commissions and overrides. This is based on the median earnings of all US ICs who were active business builders across all levels. For typical results: [earnings.arbonne.com](https://www.arbonne.com/earnings). [Read Less](#)

“...My commitment to my Arbonne business helped me be able to provide [my daughter] services to help her thrive...”



JENN MITCHELL
Arbonne Independent Consultant
Regional Vice President

Growing up in my family, there was a cultural expectation to excel in academic studies and be a successful contributor to the family and in society, ideally by obtaining a prestigious degree. Through my Arbonne business, I’ve been able to not only successfully contribute to my family, but I have pursued happiness through building my own network marketing business. I would not exchange my experiences growing up because they have truly helped me become who I am today. I can say with 100% gratitude that because of this business, I have gained the confidence to empower myself — simply because Arbonne believed that I could flourish.

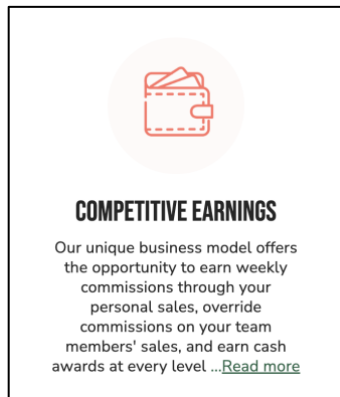
In 2022, a typical Arbonne Independent Consultant in the United States earned \$172 in commissions and overrides. This is based on the median earnings of all US ICs who were active business builders across all levels. For typical results: [earnings.arbonne.com](https://www.arbonne.com/earnings). [Read Less](#)

“...Through my Arbonne business, I’ve been able to not only successfully contribute to my family, but I have pursued happiness through building my own network marketing business...”

¹⁸ Using the word “income” implies that money is being received on a regular basis and that one is earning more than they are spending on their business.

¹⁹ Arbonne, Join Us, Meet Our Community, <https://www.arbonne.com/us/en/join-us/meet-our-community>.

And on its Independent Consultant webpage,²⁰ Arbonne advertises “Competitive Earnings”:



While Arbonne includes disclaimers near some (but not all) of its earnings claims, the ambiguous disclaimers do nothing to remediate the misleading impressions left by the deceptive income representations.

In 2022, a typical Arbonne Independent Consultant in the United States earned \$172 in commissions and overrides. This is based on the median earnings of all US ICs who were active business builders across all levels. For typical results: [earnings.arbonne.com](https://www.arbonne.com/earnings).

Example of Arbonne Earnings Disclaimer²¹

Its disclaimers are deceptive because, among other things, they inflate the amount Arbonne distributors are reported to earn by not taking expenses into consideration – a weighty omission that is not evident from the disclosures. Further, Arbonne is clearly manipulating the data it uses to calculate how much a typical distributor grosses by limiting its sample size to only include “active business builders” – a term that is not defined or explained in its disclaimers.²² Moreover, even the gross amount that Arbonne

²⁰ Arbonne, Join Us, Independent Consultant, <https://www.arbonne.com/us/en/join-us/independent-consultant>.

²¹ Arbonne homepage, <https://www.arbonne.com>.

²² As you know, the FTC has cautioned the DSSRC that excluding non-earners (i.e., those who are not “active”) from income disclosure statements severely inflates the percentage of distributors in each

reports its typical “active” distributor earns is so little that a substantial minority of consumers may incorrectly assume that the company is referencing a monthly earnings amount, especially when the disclaimer is juxtaposed with some earnings representations that give the impression you can make more in a month than the typical “active” distributor grosses in a year, such as²³:

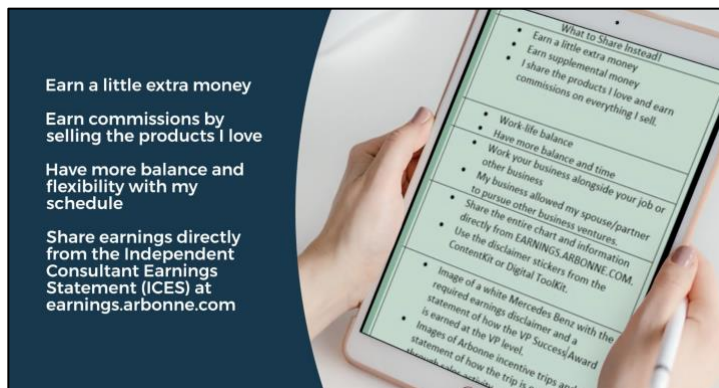


Compounding these problems is the advice Arbonne gives to its distributors with regard to earnings claims – instructing them that it is permissible to make income representations that do not match the reality of the typical IC. In a business ethics video about income and lifestyle claims,²⁴ the company informs distributors that they can make representations that include “Earn a little extra money,” “Earn supplemental money,” and “My business allowed my spouse/partner to pursue other business ventures,” among other claims.

purported income range. See Mar. 15, 2024 letter from FTC to DSSRC, https://www.ftc.gov/system/files/ftc_gov/pdf/3.15.2024DSSRCLetter.pdf.

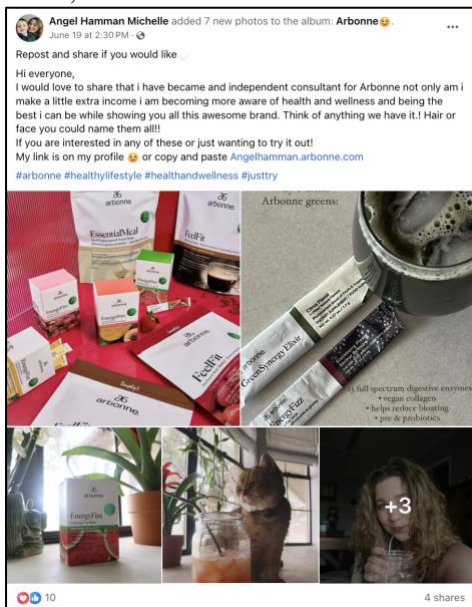
²³ Arbonne Opportunity Brochure, <https://embed.widencdn.net/pdf/view/arbonne/6evvgwoqze/opportunity-brochure.pdf>.

²⁴ Arbonne Business Ethics Income and Lifestyle Claims video, <https://arbonne.widen.net/s/hzgksdrk6m/us-final---business-ethics-101---income--lifestyle-claims>. See also Arbonne Business Ethics & Sustainability Team (B.E.S.T.), <https://www.arbonne.com/us/en/join-us/business-ethics>.



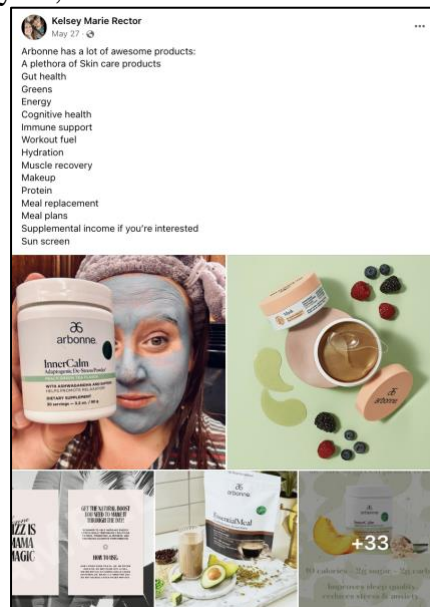
Following the company’s lead and advice, distributors are making deceptive income claims in their own marketing materials to lure potential recruits into the Arbonne business opportunity, as the examples below show.

June 19, 2024 Distributor Facebook Post²⁵



“...i make a little extra income...”

May 27, 2024 Distributor Facebook Post²⁶

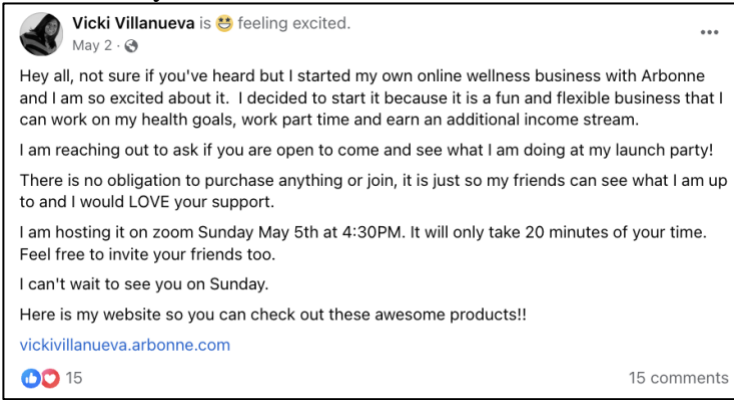


“Supplemental income if you’re interested”

²⁵ June 19, 2024 Facebook post by Arbonne distributor Angel Hamman Michelle, https://www.facebook.com/permalink.php?story_fbid=pfbid02uZDSeJ8mLGhJshASz3yDNggPhQMnvECJfQjTKVKGkZqVcKV7T7EwQx5DWLcPonxWI&id=100082310447107.

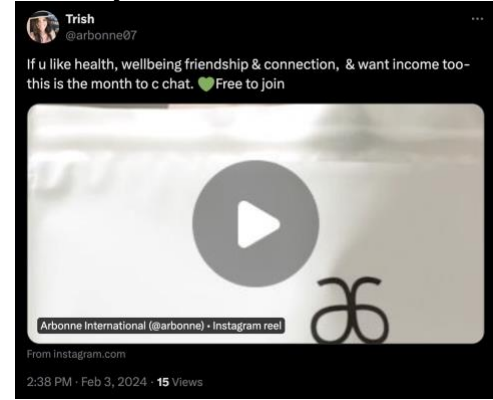
²⁶ May 27, 2024 Facebook post by Arbonne distributor Kelsey Marie Rector, https://www.facebook.com/events/829286735722697?post_id=829301302387907&view=permalink.

May 2, 2024 Distributor Facebook Post²⁷



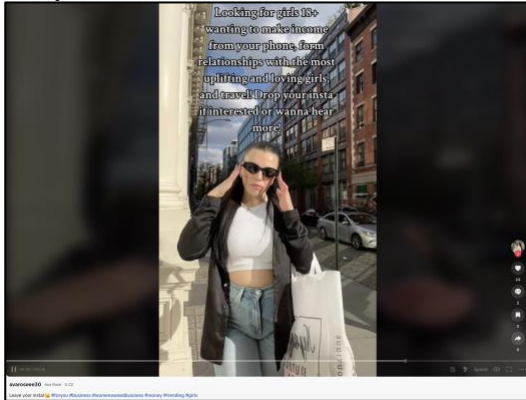
“I decided to start it because it is a fun and flexible business that I can...work part time and earn an additional income stream...”

February 3, 2024 Distributor X Post²⁸



“If u like health, wellbeing friendship & connection, & want income too- this is the month to chat.”

May 22, 2024 Distributor TikTok Post²⁹



“Looking for girls 18+ wanting to make income from your phone...”

April 10, 2024 Distributor Instagram Post³⁰



“one thing you'll never regret is making an income from your phone”

(A sampling of more than 50 deceptive income claims are available at

<https://truthinadvertising.org/evidence/2024-arbonne-income-claims-database/> and in the

²⁷ May 2, 2024 Facebook post by Arbonne distributor Vicki Villanueva, <https://www.facebook.com/vicki.villanueva.7/posts/pfbid0cmHEG8JoZjRsT4anTf72QAD9VLWzwXTDWcxortx4ksfghz9GSiFhUc2CvDbTHeikl>.

²⁸ Feb. 3, 2024 X post by Arbonne distributor Trish, <https://x.com/arbonne07/status/1753865569412296918>.

²⁹ May 22, 2024 TikTok post by Arbonne distributor Ava Rose, <https://www.tiktok.com/@avarosee30/video/7371925726834085163>.

³⁰ April 10, 2024 Instagram post by Arbonne distributor Raegan Johann, https://www.instagram.com/p/C5mmuPot_MG/.

attached spreadsheet.³¹ It is important to note that TINA.org’s database is not intended to provide an exhaustive list of atypical and deceptive income claims being used to market the Arbonne business opportunity. Other, and arguably more flagrant, income claims regarding the Arbonne business opportunity are currently circulating on the internet.)

In short, Arbonne’s lopsided marketing fails to convey that its typical distributor makes no money or loses money. As a result, consumers are being misled into believing they can earn an income with Arbonne. Accordingly, TINA.org strongly urges the DSSRC to review the claims being made by Arbonne and its distributors, and take appropriate action.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Laura Smith, Esq.
 Legal Director
 Truth in Advertising, Inc.

Bonnie Patten, Esq.
 Executive Director
 Truth in Advertising, Inc.

³¹ Of note, some Arbonne distributors even use the company’s flawed income disclosure statement as *part* of their deceptive earnings claims. See March 2, 2024 Facebook post by Ashley Creal, <https://www.facebook.com/ashley.creal.3/posts/pfbid0hRo5mqhrf6eHhmytPVr9TFzD2fyxkfTc9iDPTRifeq1QKmhGtQMJVpJGgWiudqVhl>; June 9, 2024 Facebook post by Janice Elizabeth, <https://www.facebook.com/janice.lyonsmoreton/posts/pfbid02UrAFUtW7GVsrhusaS2235fB46Y7wg4xwn61CuWMiPCJ8jzqeLwgNNRoapM3GGCGWI>.

1 COMMISSIONS
 Your profit from your product sales to your Preferred Clients & Clients

2 OVERRIDES
 Your earnings from your team’s product sales to their Preferred Clients & Clients

3 AWARDS
 Additional awards based on your personal & team sales performance

WHAT’S TYPICAL?
 IN 2022, A TYPICAL ARBONNE INDEPENDENT CONSULTANT IN CANADA EARNED BETWEEN \$0 – \$250 IN COMMISSIONS AND OVERRIDES. THIS IS BASED ON THE AVERAGE EARNINGS OF ALL CA ICS ACROSS ALL LEVELS. FOR EARNINGS BY LEVEL, PLEASE REFER TO THE CHART BELOW.

ANNUAL EARNINGS OF ARBONNE INDEPENDENT CONSULTANTS IN 2022						
Level	Average Annual Earnings	Median Annual Earnings	Top 50 Average	Bottom 50 Average	% of Independent Consultants at Level	Average Time to Position
Independent Consultants	\$284	\$149	\$2,305	\$5	62%	n/a
District Managers	\$2,131	\$1,500	\$11,348	\$31	26%	7 Months
Area Managers	\$10,605	\$8,786	\$31,101	\$1,410	8%	21 Months
Regional Vice Presidents	\$40,060	\$31,589	\$85,033	\$9,589	3%	36 Months
National Vice Presidents	\$147,823	\$121,090	\$296,461	\$45,542	1%	60 Months