BBB NATIONAL PROGRAMS, INC.

The Direct Selling Self-Regulatory Council Case Number: 45-2021: –Monitoring Inquiry– Globallee, Inc.

Company Description

Globallee, Inc. ("Globallee" or the "Company") is a direct selling company located in Irving, Texas which was founded in 2019. The Company sells various health and wellness supplements and has 1.4 million distributors with offices in Japan, Canada, Australia, and the United States.

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.

DSSRC identified the following representative product performance claims disseminated by independent salesforce members on social media. DSSRC was concerned that the representative claims below communicate that Globallee's Taka products and various other drinks can treat and protect against serious health-related conditions, including but not limited to COVID-19, cancer and diabetes. While the inquiry was pending, DSSRC identified a number of additional posts making similar claims and brought them to the attention of the Company.

During the inquiry, DSSRC also identified several unqualified and atypical claims made on the Company's website of the income potential that salesforce members can derive from the company's business opportunity. The Company's website also featured videos depicting Globallee salesforce members receiving large checks for significant amounts of money and depictions of lavish lifestyles and several video testimonials in which salesforce members discuss obtaining wealth, profits and depict large checks indicating earnings of significant income.

1. Product Claims

- "Taka energy > Drink with 32 Nutrients ,support your Immunity, adrenal glands & recovery .reports of Improvement in life #bewellgloballee Fibromyalgia, Arthritis, Lyme, Diabetes, weight management. You won't be disappointed find you energy back. BeneTrim >capsules & coffee, controls anxiety, lowers my cholesterol ,weight management ads to your health goals. Eterno > sleep like you dream, Hgh recovery & repair ,build you vigor naturally .Wow this is a game changer . IAceel > bacterial attacking ,Immune support ,clear your path of healing .Eternity >hormone health, pms, menopause, cycle & fertility."
- "Seriously what do you have to LOSE... other than maybe MIGRAINES
 /DIABETES/DEPRESSION /ANXIETY/ADHD /WATER RETENTION WEIGHT

/MUSCLE PAIN/ NERVE PAIN/CIRCULATION PROBLEMS /REBUILD YOUR IMMUNE SYSTEM

And GAIN? YOUR LIFE BACK.

changing my world and the world of my loved ones

Side Affects include happiness, energy, good sleep, up your gains at the gym(replace your pre workout with this goodness wow!!!) and a great libido



Seriously what do you have to LOSE... other than maybe MIGRAINES /DIABETES/DEPRESSION /ANXIETY/ADHD /WATER RETENTION WEIGHT /MUSCLE PAIN/ NERVE PAIN/CIRCULATION PROBLEMS /REBUILD YOUR IMMUNE SYSTEM And GAIN? YOUR LIFE BACK.

changing my world and the world of my loved ones € Side Affects include happiness, energy, good sleep, up your gains at the gym(replace your pre workout with this goodness wow!!!) and a great libido € 100% natural and no fillers

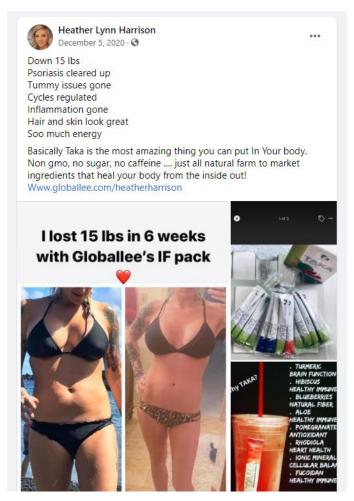
The GLOBALLEE PRODUCTS might be your HOPE too! Worth a chat friends I'm seeing real change all around me!

100% natural and no fillers."

- "MY TESTIMONY......Hi guys,well I've been on Taka for 23 days now...I started at 68.4 kgs,I'm now 65kgs,and feeling so much healthier...My lupus on my forehead looks amazing,only a little scaring left...And a small bit on my lip... Loving the Blueberry flavour,got too say it's my favourite...Thank you again goodbyelupus @lupus.fighters @theselfcareclique @weightlosstips_4.0 @diabetes_naturally @rheumatoidarthritissupport @rawforhealth @lupus_survivor_lupus."
- "Love to hear how your looking after your health? What are some of the things your doing? Please share your testimony? Mine is since being introduced to a amazing superfood. I've lost 22 kilograms. I've also lost depression and anxiety. I also lost pain in my body as well as arthritis. I've also lost PSORIASIS which was so bad on my skin. I sleep better. I'm calmer. I cope better under stress. I feel happier. Loving this journey of greater health @healthy.weight_loss @feelinggreatnaturally @superfood_aus @rheumatoid_arthritis_awareness @stressfreezones @masteringdiabetes @feelingsoenergetic @_feeling_happy_94 @lovingitvegan @vegantofeelgood @womens.intermittentfasting @_intermittentfasting @_intermittent_fasting_ @healthy.weight_loss."

- "Although the word "arthritis" means joint inflammation, the term is used to
 describe around 200 rheumatic diseases and conditions that affect joints, the
 tissues that surround the joint, and other connective tissue. The most common
 form of arthritis is osteoarthritis. Other common rheumatic conditions include
 gout, fibromyalgia and rheumatoid arthritis. Thanks Globallee for these fantastic
 products To help those with these Illnesses. I can tell you Its Stopped my arthritis
 in its tracks..."
- "Down 15 lbs
 Psoriasis cleared up
 Tummy issues gone
 Cycles regulated
 Inflammation gone
 Hair and skin look great
 Soo much energy

Basically Taka is the most amazing thing you can put In Your body. Non gmo, no sugar, no caffeine just all natural farm to market ingredients that heal your body from the inside out!"



- "ONE OPTI JUICE HEALTH BENEFITS BEST FOR:
 - ☑Gives Extra Energy & Improves Stamina
 - ✓Boosts the Immune System
 - Fights Cancer Cells
 - ☑Reduces Bad Cholesterol
 - ☑Normalize Blood Sugar Level
 - Detoxify Toxins
 - Controls high blood pressure
 - Regulating cholesterol level
 - ✓ Help to treat diabetes mellitus
 - ✓Increase passion and fertility
 - Reduce risk of Cancer and Fight Cancer Cells
 - ☑Balance Uric Acid
 - Increase Sperm Count and Sperm Motility
 - ✓Normalize Menstruation

SUBUKAN PARA MAKITA ANG PAGKAKAIBA NG TUNAY NA ORGANIC SA SABI SABI LANG

NO APPROVED THERAPEUTIC CLAIMS

Yet it deliver AMAZING results..

For more information on how *One Opti Juice* can help you and your loved ones message me if interested.

**TANDAAN ! ! !

OUR HEALTH IS WEALTH! 😉

Prevention is Always Better than Cure"

Veronica Journey

My son is 7yrs old and has ADHD. I took him off his meds and started TAKA. WOW!! what a difference, he is focused, alot calmer, no more fighting and no more angry outbursts. He is alot happier in everything he does. He is alot nicer and easier to reason with he sleeps better. I am so amazed with this drink and what it can do. I was in tears (happy tears) the second day seeing how well he was doing without medication and only TAKA. I highly recommend trying TAKA for ADHD its absolutely amazing. I didn't think I would ever find anything out there natural to help him. So so so thankful. $\ensuremath{\mathfrak{Q}}$

 "I hope I can achieve results this good *** UPDATE! 12/15/2020 Here I am at just over 75 Pounds lost

Since April I have been practicing intermittent fasting and drinking TAKA. I am pleased to announce that not only have I lost 60 lbs but I have also been cleared by my doctor to stop taking mealtime insulin, two other meds for diabetes and one other for blood pressure. Additionally, I was tested for diabetic neuropathy in April and 3/4 of the markers were in red. In September, only one was in red meaning my neuropathy was getting better! Much better!! The reduction in inflammation has been amazing!!!!! The pictures below are me from last

Christmas and me from September and I've lost 10 more pounds since then!!"

2. Earnings Claims

- "Fast Track to Success"
- "discover unlimited potential!"
- Video depicting individuals on jet-skis, at an oceanside resort, and individual holding a ten-thousand-dollar vanity check.



Company's Position

Globallee did not contest DSRC's concerns regarding the product claims made in the social media posts identified by DSSRC. The Company informed DSSRC that it disabled seven of the nine posts that DSSRC identified in its original Notice of Inquiry. The Company informed DSSRC that it attempted to contact all salesforce members responsible for the posts identified by DSSRC.

The Company noted the difficulty and delays it faced in contacting and educating its salesforce members regarding the necessity to refrain from disseminating unauthorized health-related claims and unqualified statements of significant earnings through the Company's business opportunity. Further, the Company assured DSSRC that all of the posts at issue would be removed within 30 days.

With respect to additional social media posts brought to the attention of the Company during the pendency of the inquiry, Globallee informed DSSRC that one post had been removed and that another was made by an unaffiliated entity copying the Company's brand.

Lastly, Globallee noted that that it was in the process of addressing DSSRC's concerns with respect to the earnings claims which originated from the Company website and which were brought to the Company's attention after the DSSRC inquiry commenced.

Case Disposition

DSSRC confirmed that seven of the original nine social media posts that were identified at the commencement of the inquiry were disabled. DSSRC determined that the Company's actions to remove the posts were necessary and appropriate.

Notwithstanding the steps taken by the Company to disable these posts, during the course of the inquiry DSSRC identified a number of additional social media posts from Globallee salesforce members that referenced both the significant income that could be realized through participation in the Company's business opportunity as well as claims discussing the health-related benefits that can be realized through using Globallee products. More specifically, Company salesforce members state, for example, that Globallee products will lower blood pressure and that it is no longer necessary to take blood pressure medication¹, fight cancer cells, lower cholesterol², and will treat health-related conditions such as diabetes, depression and infections.³ Accordingly, despite Globallee's actions to address the health-related posts and earnings claims brought to its attention, DSSRC remained concerned with the continued proliferation of such posts and claims.

1. Product Claims

The Company did not attempt to provide DSSRC with evidentiary support for product efficacy claims and, instead, took action to remove the posts and claims. While DSSRC recognized and appreciated Globallee's commitment to reconcile the dissemination of posts when they are brought to its attention, DSSRC remained troubled that unsupported health-related claims continue to be disseminated by salesforce members.

As noted in previous self-regulatory cases, health-related claims must be supported by competent and reliable scientific evidence. The Federal Trade Commission (FTC) defines competent and reliable scientific evidence as "tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that have been conducted and evaluated in an objective manner by persons qualified to

^{1 &}lt;u>https://www.facebook.com/permalink.php?story_fbid=134375001772819&id=101479378395715</u>

https://www.facebook.com/AngelJay23/posts/1571366126367028

³ https://www.facebook.com/permalink.php?story_fbid=127832792427040&id=101479378395715

VGH Solutions Inc. (Dr. Ho's Circulation Promoter), Report #6404, NAD/CARU Case Reports (September 2020); Molekule Inc. (Molekule MH1 Air Purifier, Report #6314, NAD/CARU Case Reports (October 2019); Triumph Pharmaceuticals Inc. (SmartMouth Dry Mouth Products), Report #6190, NAD/CARU Case Reports (June 2018); Good Health Naturally, LLC (Serranol Supplements), Report #5441, NAD/CARU Case Reports (March 2012); Nature's Cure, Inc. (2-Part Acne Treatment), Report #4797, NAD/CARU Case Reports (February 2008).

do so, using procedures generally accepted in the profession to yield accurate and reliable results."5

While the FTC often requires two competent and reliable studies to support establishment claims and other health and safety claims, the advertising self-regulatory forums do not rigidly require a specific number of tests to support establishment claims, and, rather, focus their analyses on the quality, consumer relevance, and reliability of the scientific study offered in support of an advertiser's health-related claims.⁶

DSSRC acknowledged that several of the social media posts that have been identified in its monitoring are being disseminated by Company salesforce members located outside of the United States. Nonetheless, such posts are readily accessible by consumers and potential Globallee recruits in the United States and may impact the decision of consumers to purchase the products and/or participate in the Company's business opportunity.

As DSSRC has noted in previous inquiries, when a direct selling company is made aware of improper product (or income) claims that were made by an individual that was not within its geographical control or who was an active distributor when such a claim was made but that has since become an inactive distributor of the company, DSSRC recognizes 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 claims removed.⁷

As a demonstration of a direct selling company's good faith efforts, DSSRC will request, as it did here, that the Company provide a copy of the takedown requests that were sent to the sales force members responsible for the active posts. Although Globallee informed DSSRC that such a request was made of the salesforce members who disseminated the posts that have not been removed, it did not provide DSSRC with copies of the take-down requests or provide any indication regarding the subsequent enforcement measures, if any, that were taken against the salesforce member if they are still active Globallee brand ambassadors.

While DSSRC recognizes that Globallee is a large, international company with a significant number of salesforce members in several foreign countries, this does not absolve the Company from assuring that its independent brand ambassadors are disseminating truthful and accurate information about its products and the Company's

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FTC Guide, *Dietary Supplements: An Advertising Guide for Industry,* www.business.ftc.gov/documents/bus09-dietary-supplements-advertising-guide-industry; <u>Molekule Inc. (Molekule MH1 Air Purifier),</u> Report #6314, NAD/CARU Case Reports (October 2019).

Nature's Cure, Inc. (2-Part Acne Treatment), Report #4797, NAD/CARU Case Reports (February 2008); Miralus Healthcare (HeadOn Headache Relief), Report#4465, NAD/CARU Case Reports (March 2006); Matrixx Initiatives, Inc./Zicam LLC (Zicam Cold Remedy Nasal Gel), Report #4286, NAD/CARU Case Reports (February2005); Green Pharmaceuticals, Inc. (SnoreStop), Report #4013, NAD/CARU Case Reports (March 2003).

See Gano Excel USA, Inc. Case No. 30-2021, closed on 1/07/21.

business opportunity. As noted in his October 15, 2020, remarks to the DSA, FTC Commissioner Noah Philips stated that "claims made by salesforce members are attributable to direct selling companies themselves." Moreover, the FTC has stated that a direct selling company should direct its participants not to make false, misleading, or unsubstantiated representations and monitor its participants so they don't make false, misleading, or unsubstantiated representations.⁹

As such, in the omission of any evidence indicating that Globallee products are efficacious against the health-related conditions referenced in the social media posts of Company salesforce members, DSSRC recommended that the Company immediately remove any and all social media posts indicating that its products are efficacious against serious health related conditions.

2. Earnings Claims

As noted in section 5 of the DSSRC Guidance for Earnings Claims in the Direct Selling Industry¹⁰, lavish lifestyle claims are statements that either expressly state or imply through visual images or otherwise that participation in a direct selling business is likely to result in the ability of the participants to live a lavish or extravagant lifestyle. DSSRC will evaluate whether a claim is a lavish lifestyle claim based upon the context in which the claim appears and the potential net impression of such claim to the audience. Furthermore, according to the FTC, statements indicating that business opportunity participants while not necessarily becoming wealthy, can achieve career-level income are likely to be false or misleading when made to current or prospective participants.¹¹

DSSRC remained concerned with claims being communicated on the company website and determined that several of the statements (e.g., "Fast Track to Success"; "discover unlimited potential!") could be reasonably interpreted by consumers as implied claims regarding of the significant income potential from Globallee's business opportunity. Furthermore, the company website includes several promotional videos and salesforce member video testimonials which include depictions of Globallee salesforce members receiving large cardboard checks showing large amounts of money, depictions of salesforce members at tropical resorts, and discussions of salesforce members obtaining significant wealth from the Globallee business opportunity.

DSSRC concluded that these claims could be reasonably interpreted by consumers as meaning that they can expect to earn significant (i.e., "full-time") income

https://www.ftc.gov/system/files/documents/public_statements/1581726/phillips_-_dsa_remarks_10-15-20.pdf

Keynote Remarks of Commissioner Noah Joshua Phillips DSA Legal & Regulatory Summit Washington, D.C., October 15, 2020 at https://www.ftc.gov/system/files/documents/public_statements/1581726/phillips_c_dsa_remarks_10.

^{9 &}lt;u>https://www.ftc.gov/tips-advice/business-center/guidance/business-guidance-concerning-multi-level-marketing</u>

See <a href="https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/dssrc/dssrc_guidanceonearningsclaimsforthedirectsellingindustry_2020.pdf?sfvrsn=4ecfcd36_6 See https://www.ftc.gov/tips-advice/business-center/guidance/business-guidance-concerning-multi-level-marketing, Federal Trade Commission's Business Guidance Concerning Multi-Level Marketing, paragraph 13, third bullet point.

from the Globallee business opportunity. Moreover, DSSRC determined that the statements "Fast Track to Success" and "discover unlimited potential!" contributed to this take-away. Accordingly, DSSRC recommended that in the absence of evidence demonstrating that Globallee salesforce members can generally expect to receive significant income from the Company's business opportunity, that these depictions, videos, and implied claims be removed or significantly modified.

In closing, DSSRC remains particularly troubled by the continued proliferation of health-related statements and posts on the Company website and on social media regarding the efficacy of Globallee products and claims that Company salesforce members will receive significant income from the Globallee business opportunity. Globallee has been the subject of previous DSSRC inquiries and while during the pendency of this inquiry Globallee has expressed its commitment to monitor the social media postings of its salesforce members and make the necessary changes to its website, DSSRC continues to identify unsupported health related product performance and earnings claims. As such, DSSRC remains extremely concerned regarding what appears to be significant systemic compliance issues with respect to the Company's ability to appropriately monitor the claims being disseminated by its distributors as well as on the Company website, noting that the Company has been on notice of problematic product performance and earnings claims since August 2020.

Conclusion

At the time of this decision, two of the health-related product claims brought to the Company's attention in DSSRC's Notice of Inquiry remain active, as do the health-related product claims and earnings claims brought to the Company's attention while this inquiry was pending. DSSRC remains concerned that the social media posts identified by DSSRC and brought to Globallee's attention during this inquiry which indicate that the Company's products are effective in the treatment of serious health-related conditions remain active and accessible to consumers. DSSRC reiterated its request that the Company provide copies of the takedown requests that were sent to the sales force members responsible for the active posts. Further, DSSRC recommends that the Company take immediate action to effectuate the removal of these posts if necessary by filing takedown requests with the platforms on which the posts were made.

With respect to earnings claims, videos and lavish lifestyle depictions on the Company's website, DSSRC also determined that in the absence of evidence demonstrating that Globallee salesforce members can generally expect significant income from the Company business opportunity, that these depictions, videos and implied claims be removed or significantly modified.

¹² https://www.facebook.com/casey.barkholtz.3/posts/10219591040340171; https://www.facebook.com/rhonda.gill.14/posts/10157936141098235; https://www.facebook.com/AngelJay23/posts/1611008459069461

Should DSSRC further determine that unsupported product performance and earnings claims appear on the Company website and/or continue to be disseminated in distributor posts that are accessible by consumers and potential recruits, DSSRC will have no recourse but to summarily refer this matter to the appropriate governmental agencies.

COMPANY STATEMENT

"Globallee Inc. has received the input from the DSSRC and agrees to adhere to the determinations and recommendations provided by the DSSRC. Globallee Inc. has taken action to remove inaccurate posts and counsel or suspend Globallee Inc. representatives who have not complied with guidance from the DSSRC. Globallee Inc. appreciates the guidance of the DSSRC to inform and instruct on the proper action to be taken regarding these unauthorized claims. Globallee Inc. will continue to communicate and instruct its representatives to ensure that unauthorized posts and claims about Globallee Products and Globallee Income will effectively be stopped before further dissemination occurs. Globallee Inc. asks for patience when dealing with unaffiliated individuals or companies making unauthorized claims about Globallee Products and Income as it may be more difficult to track down or take action against these individuals or companies. Additionally, Globallee Inc. would like to incorporate a third-party monitoring software to help regulate posts and claims related to Globallee Inc."

(Case No: 45-2021, closed on 08/18/21)

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