

BBB NATIONAL PROGRAMS, INC.
The Direct Selling Self-Regulatory Council

Case Number: 27-2020 – Monitoring Inquiry – LurraLife, LLC

COMPANY DESCRIPTION

LurraLife, LLC (“LurraLife” or the “Company”) is a multi-level direct selling company that provides nutritional, tea, and coffee products to customers.

BASIS OF INQUIRY

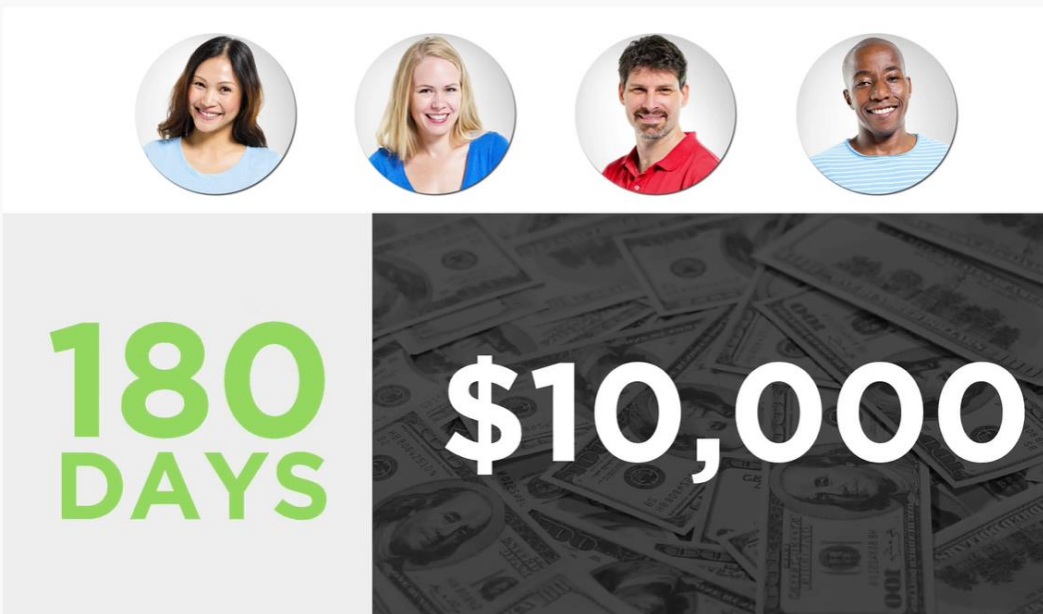
The Direct Selling Self-Regulatory Council (“DSSRC”) is a national advertising self-regulation program administered by BBB National Programs, Inc. This inquiry was commenced by DSSRC pursuant to its ongoing independent monitoring of advertising and marketing claims in the direct selling industry.

DSSRC’s inquiry concerned both earnings claims and product claims made by the Company and its salesforce members. The representative earnings claims that formed the basis of this inquiry are set forth below:

1. Earnings Claims

- Statement in YouTube video: "You can earn up to a total of \$20,000.00 weekly in 2-team pay. That's a potential of over 1 million dollars a year in this one bonus alone."
- Statement in YouTube video: "Sponsor and help as many as you like and earn unlimited matching bonuses in our plan."
- Statement in YouTube video: "Are you tired of living paycheck-to-paycheck and not having time to enjoy your life? You can live financially free, and we're here to show you how. You can start LurraLife in your spare time for less than \$100 and earn enough money to have the option to quit your job in about 6 months. People just like you are making great money following our 100% proven system. Now it's your turn! What are you waiting for? Take the first step and get started today. It's really that easy."
- Statement in YouTube video: "Are you tired of living paycheck and not having time to enjoy your life? You can live economically free, and we are here to show you how. You can start LurraLife in your spare time for less than \$ 100 and earn enough money to have the option to leave your job in about 6 months. People like you are making a lot of money by following our 100% tested system. Now is your turn! What are you waiting for? Take the first step and start today. It is really so easy."

- Statement in YouTube video: "Once you complete step #2 and find your first 4 business partners, you will already be in profit. What if by the end of your 2nd month you were making over \$600 a month. and as your team completes these simple steps what if your income in month 6 was over \$10,000.00/ Would that help you live better? Of course it would!"



Lurrallife Opportunity - Thrive - Dr Miller's Detox Tea - O2 Drops - Lurra life

- “Hey Now!! I’m ready to help 10 Moms learn how to make a realistic income of \$800-\$1000 in just one month and show you how to get paid an additional \$500 to lose weight!! If you’re ready to start a home based business with your copying and pasting while you get summer time fine, inbox me and I’ll send you info! #lotusdetox #fineaswine #makemoneyfromhome#moneyphone #getpaidwhileyou sleep #myplanworks#entrepreneur #inboxme #trainyoumyself#letsrocktogether #nowomanleftbehind #bikiniseason”
 - “Do You Need To Create More Income In Your Life To Do The Simple Things Like Go On Vacations, Buy New Clothes For Your Kids, Pay For Tuitions For Summer Camps??? Here’s How You Can Generate \$1000 Quickly And Easily!!
- ✓ Get a CAR BONUS Right away!! 4 gets 4 people !! = CASH CAR BONUS monthly!! = \$500
- ✓ Do it again 4 get 4 and you get = \$1000 USD CASH CAR BONUS

✓ On Top of the Car Bonus 6 other Ways to Earn!!
Inbox Me Or Comment Below For More Info!"

DSSRC informed the Company of its concern that earnings claims such as those set forth above may convey a message that someone engaging in direct selling of LurraLife products is likely to earn a minimum level of income, a significant income and/or earn a cash car bonus.

2. Product Claims

The representative product claims that formed the basis of this inquiry are set forth below:

- "Congratulations to Cody Lampp for losing 51 lbs on the LurraLife 90-Day Healthy Living Challenge. He won \$500! Help us CONGRATULATE and CELEBRATE him by liking, commenting, and sharing this post."
- In video description: "Introducing Dr. Miller de LurraLife detox tea. Our 100% organic and caffeine-free herbal base is the perfect start for any detoxification regimen. Lose 5 pounds in 5 days with this amazing tea! Thousands of people have done it, and you can do it too. Return the balance to your body and feel amazing again. Start today!"
- "Introducing LurraLife Thrive - our exclusive, proprietary stack of three very special nutrient blocks designed to help you beat insulin resistance, fuel your body's healing processes, and age proof your cardiovascular system."
- "Introducing Dr. Miller's Detox Tea from LurraLife. Our 100% organic, caffeine free herbal is the perfect kick start for any detox regimen. Lose 5 pounds in 5 days using this amazing tea! Thousands of people have done it, and you can too. Bring your body back into balance and feel amazing again. Get started today!"
- "All chronic pain, suffering, and diseases are caused by a lack of oxygen at the cell level. The best way to improve your health may be related to optimum oxygenation of your cells. Introducing O2 Drops from LurraLife. Our exclusive, patented formula for activated, stabilized, and bioavailable oxygen and minerals is going to revitalize your body and improve your health."
- "Before and after weight loss photos. True story!!

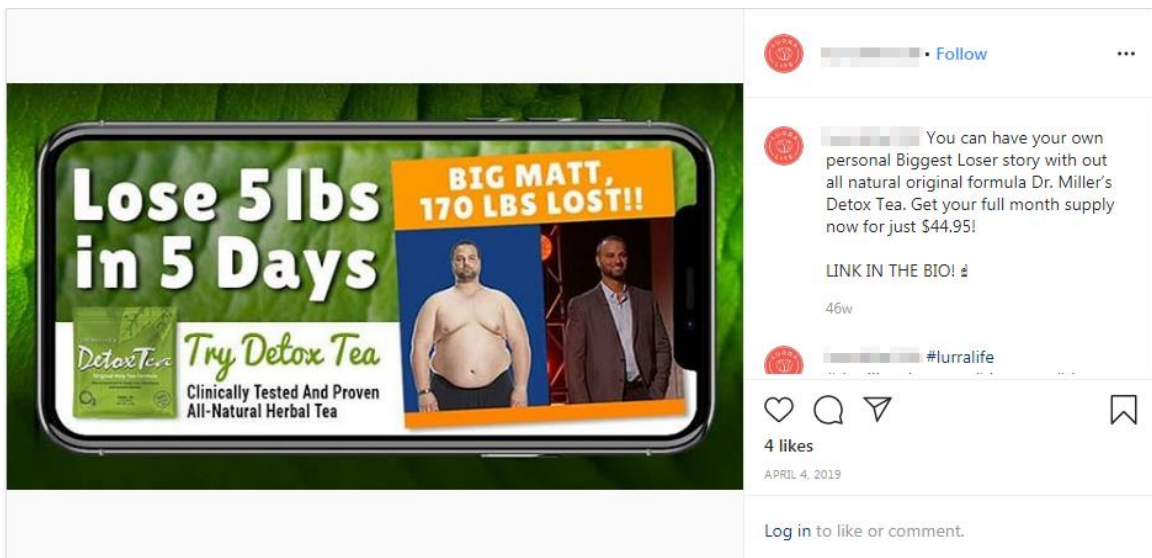
#fatsnatchers #getridofbackfat #webuyfat#lurrallifereview #realdealdetox #lurrallife results #inboxmeforinfo!”



- Before and after weight loss photo. “Have you tried @lurrallife AMAZING detox tea yet?...

#DetoxTea #Original #WeightLoss#LurraLife #HealthyLifestyle #drmiller”

- “Before and after weight loss photo. Lose 5lbs in 5 days.”



DSSRC expressed concern that these representative claims and any substantially similar claims convey unsubstantiated, health-related, and wellness benefits. As part of its self-regulatory efforts to ensure truth and accuracy in the marketplace, DSSRC requested that the Company provide substantiation for the product efficacy claims identified above.

COMPANY'S POSITION

LurraLife stated that it sincerely believes in the mission of both the DSSRC and BBB National Programs in upholding truthful and accurate standards for national advertising and implementing self-regulation standards critical to the enhancement of consumer confidence in the direct sales industry. LurraLife also maintained that it values critical insight designed to help the Company improve its business practices and viewed this inquiry as an opportunity to ensure that its marketing efforts reflect that goal. LurraLife also indicated that it regretted the dissemination of the claims that gave rise to the DSSRC inquiry.

LurraLife stated that it took DSSRC's concerns very seriously and that LurraLife undertook extensive efforts to hire qualified personnel to comprehensively monitor, discipline, and train the company's independent sales force on compliance measures. LurraLife outlined its specific efforts in multiple written submissions to DSSRC.

Remedial Measures Taken by LurraLife

LurraLife explained that prior to the commencement of DSSRC's inquiry, the Company had proactively made the decision to hire a veteran of the direct selling industry with extensive experience in compliance oversight to serve as the Company's compliance director. The compliance director, the Company explained, is familiar with many of the common compliance issues faced by network marketing companies, such as inappropriate income and/or product claims.

The Company stated that once DSSRC brought specific claims to the Company's attention, the compliance director began the process of identifying the individuals that had disseminated such claims and attempted to contact those individuals for the purpose of having the claims promptly removed from circulation.

The Company stated that it has also devoted significant time towards field compliance education and oversight through revised and improved income and product testimonial disclaimers, more precise guidance in the Company's formal Policies and Procedures, as well as educational content by way of newsletters to the Company's salesforce members known as "Brand Partners."

In sum, LurraLife stated that it understood DSSRC's concern regarding the claims at issue in this inquiry and that it aggressively and immediately responded to the DSSRC's letter by taking significant, measurable action in the implementation of additional safeguards to prevent its Brand Partners from making impermissible income and product claims. LurraLife committed to continue to educate, train, and monitor the Company's Brand Partners and engage them to assist the Company in its quest for more robust compliance.

1. Earnings Claims

1(A). The Videos on the LurraLife YouTube Channel

Four of the representative earnings claims at issue in this inquiry came from corporate videos that appeared on the LurraLife YouTube page. Two of these claims were from the same video¹ and two other nearly identical claims came from YouTube videos discussing the LurraLife 4x4 opportunity. LurraLife informed DSSRC that it removed all four of these videos from YouTube and that it was implementing the necessary changes to correct the advertising message associated with these claims.

1(B). The Earnings Claims Disseminated by LurraLife Brand Partners

As for the three remaining representative earnings claims at issue (one on YouTube and two from Facebook posts), the Company informed DSSRC during the pendency of this inquiry that LurraLife's Compliance Director contacted the Brand Partners who disseminated those claims in an effort to have the posts removed. Despite these efforts, the Company later informed DSSRC that it was unable to have the three earnings claims made by its Brand Partners removed from circulation because those individuals refused to respond to the Company's request. As a result, the Company suspended the accounts of the Brand Partners in question and, when the Brand Partners still did not comply with the Company's request, LurraLife terminated the Brand Partners in question.

1(C). The Company's Income Disclaimer and Income Disclosure Statement

LurraLife also explained that it has an "Income Disclaimer" that is available for LurraLife Brand Partners that qualifies user testimonials and makes clear that such testimonials are not necessarily indicative of the typical Brand Partner experience. Moreover, the Income Disclaimer denies any guaranteed income, acknowledging the possibility that some Brand Partners will NOT earn any income at all:

¹ The video was a March 1, 2019 video explaining the LurraLife Compensation Plan.

DISCLAIMER: Results will vary. Testimonials are unverified results² that have been forwarded by the individuals to LurraLife. Testimonials are meant to be a showcase of the best results the company has produced and should not be taken as the results a typical user will experience.

There are NO guaranteed earnings. Individuals should not participate in the business under the expectation of earning income if they are not planning to refer others to the products and/or business opportunity. It is possible that you will NOT earn any income as a Brand Partner. Moreover, the Company cannot guarantee that Brand Partners will earn income by implementing the training provided. Such materials and information are provided for educational purposes only.

LurraLife also explained that it reinforces its disavowal of any guaranteed earnings potential in an additional disclaimer found on the Company website's Terms and Condition page. In particular, the Company's Terms and Conditions states:

Brand Partners should not participate in the business opportunity under the expectation of earning income if they are not planning to refer others to the products and/or business opportunity. Although it is possible, neither the Company nor its Brand Partners can guarantee you will make a profit simply by signing up as a Brand Partner. It is possible that you will NOT earn any income as a Brand Partner. Moreover, the Company cannot guarantee that Brand Partners will earn income by implementing the training provided.

Notwithstanding the above language, LurraLife informed DSSRC that it nevertheless made improvements to the Company's disclaimers concerning income claims. Namely, the Company stated that it more clearly and conspicuously emphasizes the importance of income disclaimers to its field's attention. LurraLife further indicated that it significantly revised the Company's Disclaimer, inserted an expected average earning amount for a Brand Partner and emphasized to its Brand Partners the sales opportunity as a great way to earn supplemental income which, the Company noted, has been a recent point of emphasis by the Federal Trade Commission (FTC). The Company's revised Disclaimer (the "Initial Revised Disclaimer") stated:

There are NO guaranteed earnings in the LurraLife business opportunity. Individuals should not participate in the business under the expectation of earning substantial income if they are not planning to refer others to the products and/or business opportunity. In fact, it is possible that you will NOT

² LurraLife informed DSSRC that it was unaware that the any reference to testimonials being based on "unverified results" remained online and, further noted, that it removed any link to such verbiage on the Company's website. The Company committed to DSSRC that is in the process of removing any such statement that may remain online and that it will not utilize a disclaimer that testimonials are based on unverified results. Rather, LurraLife committed that any testimonials utilized by the Company or its Brand Partners should be truthful and based on actual results.

earn any income as a Brand Partner. Moreover, the Company cannot guarantee that Brand Partners will earn income by implementing the training provided. Such materials and information are provided for educational purposes only.

Based on industry standards and company projections, the average annual gross revenue for Brand Partners is projected to be anywhere between \$300 and \$1,000. These numbers do not reflect the expenses associated with building a LurraLife business, which could exceed the commissions received. Earning supplemental income with LurraLife results only from hard work, dedication, and leadership. The LurraLife Compensation Plan is an exciting opportunity that rewards you for selling our products and for sponsoring other participants ("Brand Partners") who do the same. The numbers below reflect estimates prepared by the company pending a more detailed survey to be conducted in the near future.

In addition to developing the Initial Revised Disclaimer above, LurraLife stated that it has addressed prohibitions against inappropriate income claims in its Policies and Procedures by making significant revisions to that document. In Section 3.12 of its Policies and Procedures, the Company notes that it expressly restricts a Brand Partner from making "unauthorized income projections, claims, or guarantees while presenting or discussing the Company sales opportunity or Compensation Plan to prospective Customers/ Brand Partners." This Section further provides explicit examples of what the Company deems an income claim or earning representation in an effort to educate LurraLife Brand Partners on the need to use the Company's Disclaimer when such claims or representations occur.

LurraLife stated that it was in the process of implementing additional measures to provide the Company's Brand Partners and prospective Brand Partners with more detailed information on the income opportunity afforded by LurraLife. LurraLife informed DSSRC that it was compiling statistical data which will allow the Company to publish a more robust Income Disclosure Statement ("IDS") based on such data. This IDS, the Company maintained, will provide a more comprehensive picture around the kind of income one can expect to earn, keeping in mind recent FTC directives taken from enforcement actions for the kind of specific information regulators expect an IDS to contain (e.g., the inclusion of distributors who did not earn anything in the calculation of annualized average earnings).

Consistent with the Company's Initial Revised Disclaimer that the statement of generally expected earnings (i.e., between \$300 and \$1,000) was an estimate pending a more detailed earnings survey to be conducted and the Company's commitment to develop a robust IDS, the Company thereafter revised its IDS and Initial Revised Disclaimer based on a survey of its Brand Partners. Based on a survey of 5,000 of the Company's active Brand Partners, LurraLife revised both its IDS and Initial Revised Disclaimer to depict a range of yearly gross revenue earned by Brand Partners. DSSRC expressed its concern to the Company regarding, among other things, the sample size of

the survey and the wide range of gross revenue presented in the disclosure of earnings that could generally be expected by the typical Brand Partner.

In response to DSSRC's concern, LurraLife revised its IDS. The Company's revised IDS depicts a chart of the average domestic earnings of the ranks of all LurraLife Brand Partners, whether active or inactive, for the last year. The revised IDS states an average annual income amount for all Brand Partners. The revised IDS also portrays the number of Brand Partners at each Brand Partner Rank, the percentage of all Brand Partners at each rank and the corresponding average annual income for each Brand Partner Rank. The Company also revised its earnings disclaimer (the "New Revised Disclaimer"). LurraLife informed DSSRC that its Compliance Department will educate³ the Company's Brand Partners who will be required to use the Company's New Revised Disclaimer any time a discussion on income occurs be it social media or some other medium. The New Revised Disclaimer consists of a simple statement of the typical annual income earned by a Brand Partner along with a link to the IDS for further information. The Company also informed DSSRC that the New Revised Disclaimer will be present in the back office of each Brand Partner's account.

2. Product Claims

The Company noted that the product claims at issue in this inquiry related primarily to weight loss testimonials. LurraLife informed DSSRC that its Compliance Director communicated with the Brand Partners that made such claims and attempted to have the representative posts removed from circulation. LurraLife informed DSSRC that its efforts to have the social media posts in question removed were not successful and, as a result, the Company suspended and ultimately terminated the Brand Partners in question.

LurraLife also explained that an essential part of the LurraLife business revolves around the concept of its "Team Challenge" and Team Challenge participants' weight loss journeys. LurraLife further stated that it understands the importance of including disclaimer language in its marketing messages around this weight loss discussion. LurraLife stated that it had previously featured the following information with respect to testimonials in its Terms and Conditions:

Testimonials on the Site and in other Company literature and communications are unverified results that have been forwarded by the users to the manufacturers and/or major Associates of the product or

³ The Company informed DSSRC that it formulates educational content in the form of a newsletter which discusses the topic of income claims and that such newsletter is distributed to the LurraLife field via the Company's back office portal. The Company provided DSSRC with an example of such a newsletter and argued that the newsletter includes information concerning the proper way to discuss the LurraLife sales opportunity and the importance of Brand Partners using the New Revised Disclaimer.

service, and may not reflect the typical purchaser's experience, may not apply to the average person, and are not intended to represent or guarantee that anyone will achieve the same or similar results. Every person's physiology and health-related habits are unique, and results vary from person to person. You understand that it is possible that even with perfect use of the product, you will not achieve the results described in testimonials. They are meant to be a showcase of the best results the product has produced and should not be taken as the results a typical user will get. Testimonials are not intended to recommend any health supplement as a drug, as a diagnosis for specific illnesses or conditions, nor as a product to eliminate diseases or other medical conditions or complications. Company makes no medical claims as to the benefits of any products to improve medical conditions.

In an effort to better communicate the spirit of this disclaimer to LurraLife Brand Partners, LurraLife informed DSSRC that it added an additional disclaimer to be prominently featured in the LurraLife Brand Partner back office and to be used when any weight loss claim is made:

People who partake in the LurraLife Team Challenge and take some of our exceptional products can expect to lose 1-2 pounds per week. However, it's important to take into account that the causes for being overweight vary from person to person due to genetics, environmental factors, food intake, metabolism, and differing levels of exercise. Because of this, results from the LurraLife Team Challenge may and will differ from person to person. No individual result should be seen as typical.

The experiences mentioned may be from Brand Partners who have personally participated in the LurraLife Team Challenge and used LurraLife products. Brand Partners may receive compensation from LurraLife for sharing and promoting its products and services.

The Company stressed that this new disclaimer now features a general expectation of performance for LurraLife products that is between one to two pounds per week for a consumer participating in the Team Challenge. The Company submitted that this change speaks to the FTC's guidance on consumer testimonials and endorsements and what "a typical customer" may achieve with a company's product. 16 CFR § 255.2

LurraLife informed DSSRC that it also took the additional step to require all its Brand Partners to include the following disclaimer when issuing a personal testimonial ("Personal Testimonial Disclaimer"):

Individual results can and will vary. My testimonial is not necessarily representative of all those who use the LurraLife products. All participants giving testimonials utilized a complete health regimen that incorporates

LurraLife products/food supplements, physical activity and or a reasonable diet.

LurraLife also addressed health-related claims other than weight loss claims and testimonials in its Policies and Procedures. The Company noted that Section 9.2(J) of its Policies and Procedures expressly restrict a Brand Partner from making “any claim that Company products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases,” explaining that “such statements can be perceived as medical or drug claims [in violation of] Company policies but also potentially [in violation of] federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.” That specific section of the Company’s Policies and Procedures, the Company noted, goes on to discuss personal health testimonials -- including the use of before and after pictures – and the required inclusion of the Personal Testimonial Disclaimer. LurraLife also noted that it communicated the Company’s expectations around consumer testimonials in two newsletters issued in the Brand Partner back office and provided DSSRC with copies of same. The Company noted that the newsletters were distributed to the entire distributor base and stated that the Company plans to devote more time and resources to monitoring the LurraLife field’s social media marketing messages and ensuring that these messages comply with Company requirements.

ANALYSIS AND RECOMMENDATION

DSSRC appreciated both LurraLife’s prompt response and its participation in the self-regulatory forum. DSSRC acknowledged the Company’s prompt response to both the specific claims identified in this inquiry as well as the Company’s efforts to hire a compliance director and to improve and overhaul its policies as well as its training and monitoring of its Brand Partners.

1. Earnings Claims

1(A). The Videos on LurraLife’s YouTube Channel

As the Company did not attempt to substantiate the earnings claim that were made on the Company’s YouTube channel, DSSRC acknowledged the Company’s removal of such claims from circulation and determined the removal of such claims to be necessary and appropriate. DSSRC independently confirmed that the videos are no longer available to be viewed on LurraLife’s YouTube channel.⁴

⁴ DSSRC notes, however, that the links to the subject videos now state “Video Unavailable. This video is private.” While the videos are no longer available to on the internet to a general audience of consumers, DSSRC cautioned the Company that because these videos included claims that were unrepresentative and not appropriately qualified, these videos should not be disseminated to even a limited audience in the context in which they were originally communicated on the Company’s public YouTube channel.

1(B). The Earnings Claims Disseminated by LurraLife Brand Partners

DSSRC also acknowledged and recognized LurraLife's efforts to have the earnings claims⁵ disseminated by its Brand Partners removed from circulation which DSSRC determined to be necessary and appropriate. DSSRC also acknowledges the Company's efforts to enforce compliance by suspending and, ultimately, terminating the Brand Partners that were not responsive to LurraLife's requests that the subject earnings claims be removed.

DSSRC has previously acknowledged that a direct selling company may not be able to require a former or inactive salesforce member to remove a claim. In that instance, DSSRC nonetheless recommends that the direct selling company make a bona fide good faith effort to have the improper claim removed including a written request to remove improper claims made by salesforce members that have since become inactive or are unresponsive to the removal request. Young Living Essential Oils, LLC, Case #13-2020. Here, LurraLife has demonstrated a bona fide good faith effort to have its Brand Partners remove the subject claims from circulation by suspending and, ultimately, terminating the Brand Partners in question.

In an instance such as this one where the Company's Brand Partner is no longer active or is unresponsive to the Company's requests, DSSRC recommends that if the social media platform where the subject post was made provides a mechanism for reporting trademark or copyright violations, that the Company promptly utilize such mechanism and seek removal of the subject claims and posts. If the subject claim occurred on a website or platform without a reporting mechanism, DSSRC recommends that in addition to contacting the former salesforce member in writing as described above, the Company contact the website or platform in writing and request removal of the subject claim or post. *Id.*; Le-Vel, LLC, Case #24-2020.

1(C). The Company's Income Disclaimer and Income Disclosure Statement

DSSRC acknowledged LurraLife's prompt response to this inquiry and appreciated LurraLife providing DSSRC with a comprehensive overview of the Company's policies with respect to earnings claims and its guidance to its Brand Partners regarding the same. DSSRC acknowledged the Company's efforts to improve Brand Partner compliance by, among other things, hiring a compliance director, providing guidance regarding income claims in the Company's Policies and Procedures and

⁵ DSSRC notes that one of the representative earnings claims that formed the basis of this inquiry related to LurraLife's car bonus program. For purposes of a DSSRC inquiry, an earnings claim is any claim, express or implied, that conveys that salesforce members may earn or have earned company-sponsored incentives, including representations which suggest that the ability to make lifestyle purchases – such as homes, vehicles, vacations – are related to income earned from direct selling. Le-Vel, LLC Case #24-2020.

distributing educational content in a newsletter to be distributed to LurraLife's Brand Partners.

DSSRC recognized that LurraLife's previous Income Disclaimer contained language intended to convey to consumers that the results depicted in testimonials are not the results that can generally be expected by a LurraLife Brand Partner through language such as "Results will vary" and "[t]estimonials are meant to be a showcase of the best results the company has produced and should not be taken as the results a typical user will experience." However, pursuant to the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising (the "FTC Guides"), language such as "results not typical" and even stronger language may not be understood by the reasonable consumer. Specifically, the FTC Guides provide:

The Commission tested the communication of advertisements containing testimonials that clearly and prominently disclosed either "Results not typical" or the stronger "These testimonials are based on the experiences of a few people and you are not likely to have similar results." Neither disclosure adequately reduced the communication that the experiences depicted are generally representative. Based upon this research, the Commission believes that similar disclaimers regarding the limited applicability of an endorser's experience to what consumers may generally expect to achieve are unlikely to be effective.⁶

Consistent with the above guidance from the FTC, DSSRC has previously recommended that "in connection with any atypical earnings claim, the best practice is... to state that the amount of earnings depicted is not typical, and disclose the results that can generally be expected by" a salesforce member. Global Domains International, Case #15-2020; Paparazzi Accessories, LLC, DSSRC Case #14-2020. ("Even truthful testimonials from the very small minority of participants who do earn career-level income or more will likely be misleading unless the advertising or presentation also makes clear the amount earned or lost by most participants." Federal Trade Commission Business Guidance Concerning Multi-Level Marketing (2018)). DSSRC notes, however, that the success depicted in some earning claims (and lifestyle claims) may be so extraordinary that such claim cannot be qualified by a disclosure of generally expected results. Global Domains International, Case #15-2020.

Accordingly, DSSRC acknowledged and appreciated LurraLife's efforts to improve its Income Disclaimer to include an expected average earning amount for a Brand Partner

⁶ The FTC Guides also noted that the FTC "cannot rule out the possibility that a strong disclaimer of typicality could be effective in the context of a particular advertisement" but when on to state that "a]lthough the Commission would have the burden of proof in a law enforcement action, the Commission notes that an advertiser possessing reliable empirical testing demonstrating that the net impression of its advertisement with such a disclaimer is non-deceptive will avoid the risk of the initiation of such an action in the first instance."

and emphasize the sales opportunity as a way to earn supplemental income which, the Company recognized, has been a recent point of emphasis by the FTC.

During the pendency of this inquiry, LurraLife provided DSSRC with both its Initial Revised Disclaimer and New Revised Disclaimer. As noted above in the Company's Position section of this decision, the New Revised Disclaimer now includes a plain statement of generally expected earnings and a link to the Company's IDS which is based on annual data for all of the Company's Brand Partners. DSSRC acknowledged and appreciated LurraLife's efforts to address DSSRC's concerns regarding its Initial Revised Disclaimer and determined that the changes to the Company's IDS and its New Revised Disclaimer to be necessary and appropriate to present consumers with a clear statement of the typical earnings that can be expected by a typical Brand Partner. DSSRC also acknowledged and deemed necessary and appropriate the Company's instructions to its Brand Partners that the New Revised Disclaimer be used any time an earnings claim is made including on social media.

2. Product Claims

As noted above, LurraLife informed DSSRC that its efforts to have the representative social media posts containing product claims removed from circulation were not successful. As a result, the Company suspended and ultimately terminated the Brand Partners in question. DSSRC determined the Company's actions to be necessary and appropriate. As with the discussion above regarding earnings claims, where a Brand Partner is no longer active or is unresponsive to the Company's requests to remove or modify social media posts, DSSRC recommends that if the social media platform where the subject post was made provides a mechanism for reporting trademark or copyright violations, the Company promptly utilize such mechanism and seek removal of the subject claims and posts. If the subject claim occurred on a website or platform without a reporting mechanism, DSSRC also recommends that the Company contact the website or platform in writing and request removal of the subject claim or post. *Id.*; Le-Vel, LLC, Case #24-2020.

With respect to product claims generally, DSSRC acknowledged LurraLife's efforts to train its Brand Partners regarding permissible claims and appreciated the Company's guidance to its field that "[t]estimonials are not intended to recommend any health supplement as a drug, as a diagnosis for specific illnesses or conditions, nor as a product to eliminate diseases or other medical conditions or complications. Company makes no medical claims as to the benefits of any products to improve medical conditions." Similarly, DSSRC recognized the Company's Policies and Procedures which state that Brand Partners should refrain from "any claim that Company products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases," explaining that "such statements can be perceived as medical or drug claims [in violation of] Company policies but also potentially [in violation of] federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act."

DSSRC also recognized the Company's additional guidance to its Brand Partners regarding weight loss claims to include a disclosure of generally accepted results to be prominently featured in the LurraLife Brand Partner back office and, importantly, to be used when any weight loss claim is made:

People who partake in the LurraLife Team Challenge and take some of our exceptional products can expect to lose 1-2 pounds per week. However, it's important to take into account that the causes for being overweight vary from person to person due to genetics, environmental factors, food intake, metabolism, and differing levels of exercise. Because of this, results from the LurraLife Team Challenge may and will differ from person to person. No individual result should be seen as typical.

The experiences mentioned may be from Brand Partners who have personally participated in the LurraLife Team Challenge and used LurraLife products. Brand Partners may receive compensation from LurraLife for sharing and promoting its products and services.

DSSRC believes this disclosure of generally expected results (i.e. one to two pounds of weight loss per week) to be necessary and appropriate.⁷ As set forth in the FTC Guide Concerning the Use of Endorsements and Testimonials in Advertising:

An advertisement containing an endorsement relating the experience of one or more consumers on a central or key attribute of the product or service also will likely be interpreted as representing that the endorser's experience is representative of what consumers will generally achieve with the advertised product or service in actual, albeit variable, conditions of use. Therefore, an advertiser should possess and rely upon adequate substantiation for this representation. If the advertiser does not have substantiation that the endorser's experience is representative of what consumers will generally achieve, the advertisement should clearly and conspicuously disclose the generally expected performance in the depicted circumstances, and the advertiser must possess and rely on adequate substantiation for that representation.

16 CFR § 255.2(b). Accordingly, DSSRC acknowledged and recognized LurraLife's efforts to improve its disclosures around atypical weight loss claims by requiring the Company's Brand Partners to include a disclosure of generally expected results

⁷ DSSRC notes that, as is the case with earnings claims, some personal testimonials or depictions of weight loss success may depict such extraordinary results that are likely incapable of being cured even by a disclosure of generally expected results.

CONCLUSION

DSSRC acknowledged the Company's removal of videos from the Company's YouTube channel that contained earnings claims and determined the removal of the videos to be necessary and appropriate.

DSSRC also acknowledged and recognized LurraLife's efforts to have both earnings claims and product claims disseminated by its Brand Partners removed from circulation which DSSRC determined to be necessary and appropriate. With respect to Brand Partners that did not respond to the Company's request to remove earnings claims from the Brand Partners' social media posts, DSSRC also recommended that the Company make a bona fide good faith effort to have the social media platform in question remove the post.

DSSRC also determined the Company's New Revised Disclaimer with respect to earnings claims to be necessary and appropriate to present consumers with a clear statement of the typical earnings that can be expected by a typical Brand Partner. DSSRC also acknowledged the Company's instructions to its Brand Partners that the New Revised Disclaimer be used any time an earnings claim is made including on social media.

With respect to health-related weight loss claims, DSSRC determined that the Company's revised disclosure of generally expected results when any atypical weight loss claim is made by the Company or its Brand Partners to be necessary and appropriate.

COMPANY STATEMENT

LurraLife appreciates the DSSRC's mission for improving direct selling industry standards. We take the feedback from the DSSRC seriously and will work diligently to improve operations to improve our compliance. This is especially true in the categories of income and product claims. LurraLife has already taken considerable measures to improve in these categories, and we're already seeing tremendous progress on these fronts.

LurraLife will heed the warnings issued by the DSSRC and will continue to take measures to prevent issues from occurring in the future.

(Case #27-2020 HJS, closed on 10/30/2020)
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