

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

Case Number: 21-2020 – Monitoring Inquiry – R&D Global d/b/a B-Epic

COMPANY DESCRIPTION

R&D Global d/b/a B-Epic (B-Epic or the “Company”) is a multi-level direct selling company based in Utah. Founded in 2014, the Company sells a line of health and wellness products.

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 the DSSRC pursuant to its ongoing independent monitoring of advertising and marketing claims in the direct selling industry including claims made by salesforce members on social media.

Specifically, DSSRC identified several core product claims and earnings claims as well as representations regarding bonuses and incentives that were disseminated on the social media pages of Company distributors as well as on the B-Epic website.

The representative claims that were the subject this inquiry are as follows:

A) Health-Related Claims

- “Meet Olga Ulturgasheva, 58 years old, from the city of Abakan.
“I decided to share with everyone the results after using Elev8.
I have been taking the product for over a year. Here are the results:
 - ✓ No chronic fatigue.
 - ✓ Sleep very well. In the morning I wake up rested and in a good mood.
 - ✓ No more pains on the knees and lower back.
 - ✓ Cervical osteochondrosis ceased.
 - ✓ Intestinal function normalised.
 - ✓ No eczema after suffering for more than 10 years.
 - ✓ Looking in great shape after losing 6 kg without dieting.

I recommend these products to everybody! Elev8 and acceler8 really work!”

Testimonials like these are exactly why we are continuing to share the benefits of ELEV8 and ACCELER8 with everyone.”

- 4 “Before and After” depictions of a skin infection being completely eliminated from a young man’s face accompanied by text indicating product efficacy after the subject was unsuccessful with medicines and lotions prescribed by doctors

Translator:

Real skin results, of course, with the Elev8 capsule.

She had a skin infection and began to spread very quickly. They were shown to the doctor, but as always, they wrote a complete list of medicines and ointments.

By knowing Elev8, which effectively and quickly struggles with skin diseases, they decided to apply it immediately. Result on face



- “The Effective Effects OF ELEV8 CAPITAL
 - Provides long lasting mental and physical freshness
 - Mood enhancement
 - Enhances oxygen uptake
 - Prevents or reduces Alzheimer’s disease, memory loss anxiety, headaches and depression
 - Symptoms of confusion, tinnitus and dizziness
 - Increases endurance
 - Improves memory
 - Brightens the mind
 - Improve concentration focusing
 - Improves cognitive functioning
 - It changes energy
 - refreshing, but not excited, not spinning unnecessarily
 - Cell regenerates, rejuvenates
 - It mobilizes the self-healing ability of infections overcome

- Excellent for skin defects and rashes
- Calms but does not dull
- Has beneficial effect on the functioning of the heart”

B) Earnings Claims

- “Becoming Healthier & Wealthier just got a LOT easier with our Epic products & compensation plan. Earn \$650 + US with as little as 20 people to your Team. Over 1,000 sales a DAY coming in...”
- “\$700 5X5 Monthly Lifestyle Bonus”
- “Whether its making money every month or having a successful lifestyle business you can make it reality with B-Epic! As an B-Epic independent Brand Partner, you can earn a great part time or full time income” simply by introducing others to our products and business opportunity.”
- “Whether it’s making some extra cash every month or earning a full time income, B-Epic is a business that can fit your life and needs. It costs nothing to start and you can be making money right away.”



Begin Your Epic Journey

Imagine if you had the money and time to pursue your dreams... What would your life be like if you had more money coming in every month? And how great would it be if you could work whenever and wherever you wanted? With a B-Epic business, you can make it a reality!

Whether it's making some extra cash every month or earning a full-time income, B-Epic is a business that can fit your life and needs. It costs nothing to start, and you can be making money right away! Plus, no experience is required, and you can work when and where you want.

Our easy-to-follow business system is 100% cloud-based, so you have no inventory to worry about and don't have to do any shipping or collecting payments. Our products are great too and are backed by a 30-Day Money Back Guarantee. They are ordered by customers online via your B-Epic website link and shipped straight to them from our warehouse. And you get paid online each week!

- “You can be making money literally within the next hour. Qualify for a \$500 a month Lifestyle bonus within a week and be ready to quit your job in a few short months.”
- Depiction of Banks Statement with a \$22,032 balance
- “To qualify for the lifestyle bonus just signup for \$89.95 a month, Elev8 pack, find four people who do the same thing then help them to find four each. That’s it! A \$500 Lifestyle bonus every month you qualify. There are several other

bonuses as well. Matching bonuses, Global bonuses and more. The larger your business grows, the more bonuses you qualify for. Hey, there is a lot of money to be made here.”

COMPANY’S POSITION

B-Epic did not dispute the concerns raised by DSSRC regarding the claims at issue and explained that it was in the process of making a number of changes to its website. However, because the Company’s team implementing those changes is located in the Philippines, it took longer than expected to implement all of the changes.

More specifically with respect to the website revisions, B-Epic removed the video from its website which depicted atypical amounts of distributor income and completely revamped the opportunity page of its website.

B-Epic also hired a new director of sales and marketing as well as an attorney to oversee internal and distributor compliance as well as the Company’s Terms and Conditions and Income Disclosure statements. The Company also indicated it was in the process of retaining the services of an outside third-party monitoring company to assess and evaluate the representations being made by in the marketplace by the Company’s salesforce.

With respect to the social media posts that were the subject of the DSSRC inquiry, the Company advised DSSRC that it had sent out compliance letters to active distributors that disseminated the subject claims requesting that the claims be removed. With respect to the certain inactive distributor that failed to comply with the Company’s demand to remove a post from Facebook, the Company contacted Facebook to request that the subject posts be removed by the platform. Finally, the Company posted its compliance process [policies] and procedures in the back office of its Company headquarters and now requires that it must be signed and adhered to by all B-Epic salesforce members.

ANALYSIS

DSSRC was extremely concerned with the health representations and unqualified earnings claims at issue in this inquiry. DSSRC expressed its appreciation to B-Epic for the constructive actions it has taken to remove all but one of the claims at issue as well as the internal steps taken by the Company to significantly improve its compliance processes and educate its salesforce regarding appropriate claim dissemination.

DSSRC determined that actions taken by B-Epic to remove these claims from social media and the Company website were necessary and warranted.

A) Health-Related Claims

As DSSRC has noted in previous decisions, the requisite level of support that any advertiser should possess for health-related claims is competent and reliable scientific evidence. For health, safety, or efficacy claims, the FTC has generally required that advertisers possess “competent and

reliable scientific evidence,” defined as “tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons and [that] are generally accepted in the profession to yield accurate and reliable results.”¹

Here, B-Epic did not attempt to substantiate the health-related claims at issue and conceded that such claims should not have been disseminated by the Company’s salesforce. Accordingly, there was no dispute in this inquiry regarding the appropriateness of the product and income claims that were at issue, as B-Epic agreed that the social media posts identified by DSSRC included claims that were unsupported and not authorized by the Company.

While recognizing that the Company has made a bona-fide, good faith effort to address DSSRC’s concerns by removing all but one of the health-related claims at issue, DSSRC remained concerned with the one social media post that B-Epic has been unable to have taken down. In that post, the salesforce member states that use of the Company’s Elev8 product will result in better sleep and intestinal function, increased weight loss, the elimination of chronic knee pain, cervical osteochondrosis and eczema. Accordingly, health related claims such as the aforementioned, must be supported by competent and reliable scientific evidence and DSSRC noted that was no such evidence in the case record.²

The Company informed DSSRC that the individual responsible for the post is no longer an active B-Epic distributor and acknowledged that such benefits could not be supported with competent and reliable scientific evidence. However, despite B-Epic’s efforts to have the post removed, the 2019 post remains active on Facebook. When a direct selling company is made aware of an improper product or income claim that was made by an individual that was an active distributor when such 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 the former distributor to remove such claim.³ In that instance, DSSRC nonetheless recommends that the direct selling company make a bona fide, good faith effort to have the improper claim removed. If the social media platform where the subject post was made provides a mechanism for reporting trademark or copyright violations, DSSRC recommends that the direct selling 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 distributor in writing, the Company should contact the website or platform in writing and request removal of the subject claim or post.⁴

Accordingly, DSSRC will continue to monitor the Company’s progress in having the remaining post removed.

¹ See Young Living Essential Oils, LLC, DSSRC Case No. 13-2020 and doTERRA International LLC, DSSRC Case No. 17-2020.

² The FTC standard of competent and reliable scientific evidence has been defined as “tests, analysis, research, studies or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so using procedures generally accepted in the profession to yield accurate and reliable results.” *See, e.g. Vital Basics, Inc.*, C-4107 (Consent April 26, 2004); *see also In Re Schering Corp.*, 118 F.T.C. 1030, 1123 (1994).

³ See Young Living Essential Oils, LLC, DSSRC Case No. 13-2020.

⁴ *Id.*

B) Earnings Claims

With respect to the earnings claims at issue in this inquiry, B-Epic conceded that the earnings expressed in the claims at issue were not representative of the amount of income that the typical B-Epic Salesforce member can expect to receive as a Company distributor. The Company also acknowledged that claims suggesting that salesforce members will earn “full-time income,” can start making money “literally within the next hour,” and that individuals can quit their job create false expectations for consumers and incoming recruits. As such, B-Epic informed DSSRC that such representations were not authorized by the Company and that all of the earnings claim at issue have been removed in their entirety.

DSSRC confirmed that the earnings claims were removed and determined that the removal of the claims was necessary and proper. It is misleading for a direct selling company and/or its salesforce members to make any earnings claim, unless the direct selling company and/or its salesforce members have a reasonable basis for its claim at the time the claim is made and possess documentation that substantiates the claim at the time the claim is made.

With respect to any earnings testimonial, if the direct selling company does not have substantiation that the experience of the individual making 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 circumstances. The direct selling company must possess adequate substantiation for the representation of the generally expected results.

DSSRC appreciated the Company’s actions that resulted in the removal of all of the earnings claims at issue in this inquiry.

CONCLUSION

In sum, B-Epic was able to have removed all but one of the health-related claims at issue in this inquiry and all of the earnings claims. While DSSRC appreciated the good faith efforts that the Company has taken to remove the lone outstanding health-related claim, it remained concerned by the aggressive health representations communicated to consumers in that claim. B-Epic did not attempt to substantiate the health-related claim at issue and conceded that such claims should not have been disseminated by the Company’s inactive distributor.

As the Company continues to take proactive steps to strengthen its compliance practices, DSSRC recommends that it reinforce to its salesforce that members should not disseminate claims indicating that B-Epic products can alleviate the symptoms of, prevent, or reduce the risk of developing diseases and disorders.

Lastly, DSSRC determined that future product and income claims communicated by B-Epic salesforce warrant ongoing scrutiny and, as such, DSSRC will continue to monitor the messages disseminated by the Company and its salesforce and will initiate a compliance inquiry should it identify an ongoing proliferation of unsupported product or income claims.

COMPANY STATEMENT

“B-Epic accepts DSSRC’s decision in its entirety and will continue to take steps to bring its advertising into compliance. B-Epic has reason to believe that the remaining post originated in Romania from a source that is not an authorized B-Epic representative. We will continue to our efforts and requests with Facebook to have this post removed.”

(Case No. 21-2020 PCM, closed on 6/25/2020)