

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

Case Number: 8-2019 – Monitoring Inquiry – New U Life

COMPANY DESCRIPTION

New U Life (“NUL” or “Company”) is a multi-level direct selling company that was founded in November 2017 and is headquartered in Lehi, UT. NUL offers a variety of health, wellness and weight loss products including Somaderm™ which has been described as “a powerful, innovative transdermal human growth hormone (HGH) product available without a prescription.”¹

BASIS OF INQUIRY

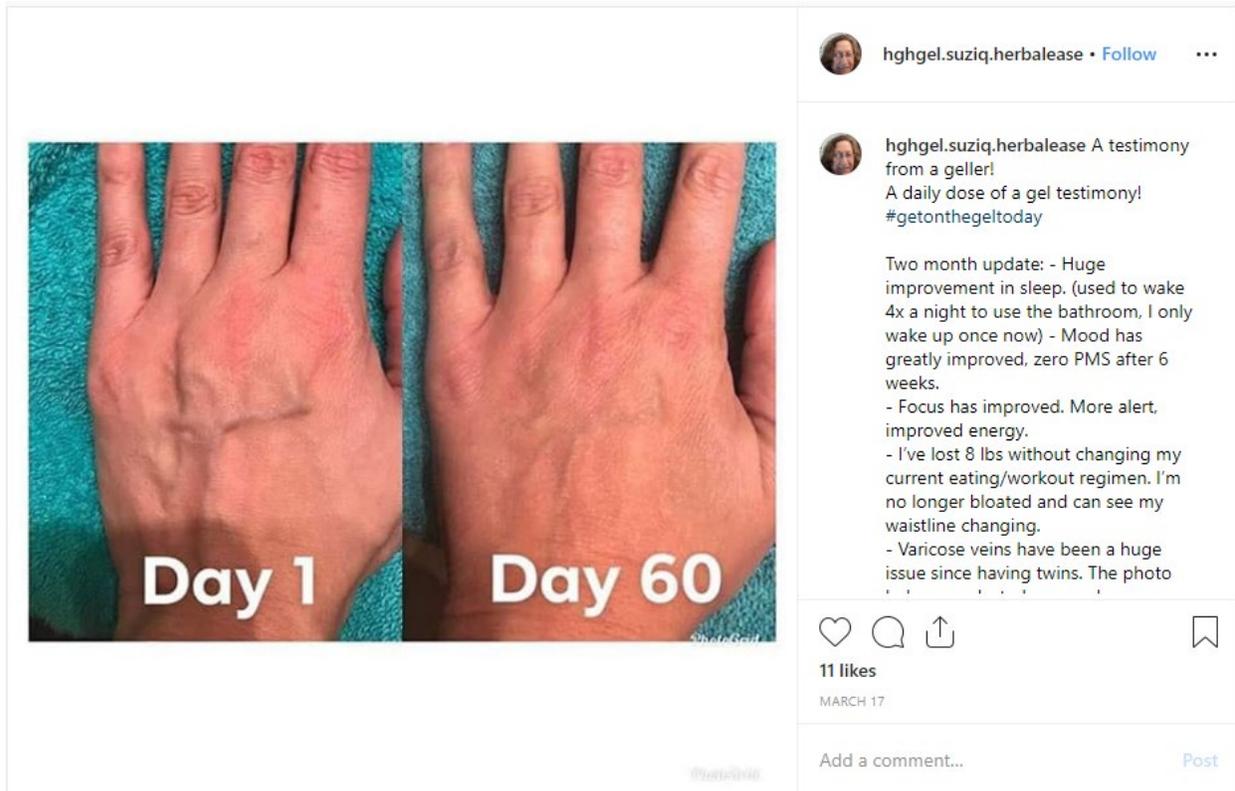
The Direct Selling Self-Regulatory Council (DSSRC), is a national advertising self-regulation program administered by BBB National Programs, Inc. This inquiry was commenced by the DSSRC pursuant to its ongoing independent monitoring of advertising and marketing claims in the direct selling industry.

More specifically, DSSRC identified several core product performance claims being disseminated on Facebook, Instagram and Youtube posts of New U Life distributors as well as on the Company website, including the following representative claims.

- “Human Growth Hormone Transdermal Gel Expected Benefits
 - “Reduced Bodyfat
 - Deep Sleep
 - Improved Mood and Energy
 - Stronger Bones
 - Heighted Sex Drive
 - Reduced Appearance of Wrinkles
 - Increased (L)ean Muscle Mass
 - Faster Healing
 - More Endurance & Stamina”
- Before and After Depiction of “Real Testimony after only 3 weeks of using Somaderm Gel.”
- Before and After “Dad’s Testimony” with photographs.

¹ New U Life’s other products include KetoGenesis 4 described as “a ketone drink mix created to be the most complete ketone supplement on the market to date...” designed for people who want to quickly reach the highly efficient fat burning state of ketosis.

- “By replenishing your supply of human growth hormone, you can recover your vigor, health, looks and sexuality. For the first time in human history, we can intervene in the aging process, restore many aspects of youth, resist disease, substantially improve quality of life, perhaps extend the lifespan itself. The ‘Fountain of Youth’ lies within the cells of each of us. All you need to do is release it.” – Dr. Ronald Klatz, Founder and President of the Academy of Anti-Aging Medicine
- Depiction of sixty days of progress: “A daily dose of gel testimony!”



- “Two month update: - Huge improvement in sleep. (used to wake 4x a night to use the bathroom, I only wake up once now) - Mood has greatly improved, zero PMS after 6 weeks.
- “Focus has improved. More alert, improved energy.”
- “I’ve lost 8 lbs without changing my current eating/workout regimen. I’m no longer bloated and can see my waistline changing.”
- “Varicose veins have been a huge issue since having twins. The photo below speaks to how much improvement I’ve seen with my vein and skin changes!”
- #newulife #somaderm #healthy #getonthegel #health #homeopathic #health #hormonesmatter #thegel #getthegel #healthylivingjourney #healthyliving #somadermworks #gellife #getyoursexyback #fit #optimizinghormonelevels

#feelbetter #newlifestyle #newlifesomaderm #getoptimized #liquidgold #hgh #bodybuilding #getbalanced #homebusiness #fitness”

- “Somaderm... The ONLY REAL HGH Gel Without a Prescription!!!!
 - “Homeopathic
 - Transdermal
 - FDA Registered
 - No Needles!”
- Before and After depiction of six weeks of progress.
 - “I can not tell you how amazed I am with this product! What are you waiting for??? I feel like I am 25 again!!! ENERGY! Sleeping Great!! AWESOME LIBIDO! NOT DEPRESSED! NO DIET! NO WORKING OUT! Inches just melting away!!! #getonthegegel”
- Before and After depiction of skin condition after five weeks.
 - “My friend has had a skin condition and this is what she’s been dealing with for the last 6 months (left picture). Her skin condition (right picture) after only 5 weeks on #thegegel”
- “If you want your hair to look better, your nails to be stronger. If you want to sleep better. If you want to lose some weight or build some muscle just order here. #somadermgel #getonthegegel #weightloss #antiaging #thickerhair #strongernails #restbetter.”
- “17 Reasons Why You Need Growth Hormone Therapy NOW
 - “8.8% increase in muscle mass on average after six months without exercise”
 - “Improved cholesterol profile with high HDL and lower LDL”
 - “Regrowth of heart, liver, spleen, kidney and other organs that shrink with age”
 - “Superior immune function”
 - “Higher energy level”
 - “14.4% loss of fat on average after six months without dieting”
 - “Enhanced sexual performance”
 - “Greater cardiac output”
 - “Lowered blood pressure”
 - “Stronger bones”
 - “Faster wound healing”
 - “Younger thicker skin”
 - “Hair regrowth”
 - “Less wrinkles”
 - “Sharper vision”

- “Increased memory retention”
- “Improved sleep”
- “WHAT DOCTORS SAY ABOUT HGH”
 - “The overall deterioration of the body that comes with growing old is not inevitable. We now realize that some aspects of it can be prevented or reversed.” Daniel Rudman, M.D., New England Journal of Medicine.
 - "Growth hormone stops the aging process in the body and reverses many of the problems that are caused by aging such as wrinkling skin, increased body fat, decreased muscle mass, increased cholesterol, decreased stamina and energy, and decreased mental function." Dr. Lawrence Dornan, Member, American Academy of Anti-Aging.
 - FDA registered.... no prescription needed.... No injections! #askmeaboutourgel
- “But don’t worry, growing isn’t the only thing HGH is good for. Many experts say that elevating growth hormone when you are older can bring back your levels to when you were in your 20’s. Most people experience these anti-aging benefits in as little as two weeks. Some expected benefits include:
 - Better mood*
 - Fat loss (especially around the mid-section)*
 - Healthier hair, skin & nails*
 - Greater muscle tone*
 - Promotes hair growth*
 - Increase in strength*
 - Increased joint mobility*
 - Improved memory*
 - Enhanced libido*
 - Increased bone density*
 - Many have noticed subtle to significant results in as little as a 6 month period.*”
- “Clinical Applications
 - Anti-Aging*
 - May Experience Significant Fat Loss*
 - May Enhance Muscle Mass*
 - May Improve Sleep*

- May Heighten Libido**

NEW LIFE™

HGH Gel™
NDC: 61877-0004-1

CLINICAL APPLICATIONS

- Anti-Aging*
- May Experience Significant Fat Loss*
- May Enhance Muscle Mass*
- May Improve Sleep*
- May Heighten Libido*

HGH Gel™ provides 1-2 months of a convenient, non-invasive supply of human growth hormone. This transdermal formula is registered by the FDA, and contains the highest legal dose of the hormone, available without prescription. HGH Gel may be used for a number of reasons, such as delaying the effects of aging, and even to treat those individuals who experience low levels of human growth hormone.

HGH GEL™ IS:

FDA Registered • Shelf Stable • Transdermal Delivery
Over the Counter • No Prescription • Real HGH Glandular Support

* These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.

- What Doctors Are Saying About Somaderm
 - Dr. Kevin Greene, M.D. – Internal medicine
 - “It’s not just the growth hormone that is causing all these beautiful effects...it’s the glandulars working in combination with it to bring these incredible results. You have a thyroid booster, adrenal booster, plus the herbs...It’s a true 3 in 1!”
 - Dr. Julian Gershon – Triple Board Certified Physician, Family Medicine, Sports Medicine, Anti-aging and Regenerative Medicine with Stem-cell Fellowship

- “All of the patients I have will be able to benefit from this product. My IGF-1 level went from 130-150. It hasn’t been over 130 in probably 5 years!”
- Maryam O’Connor – Pharmacists, Holistic Health Practitioner
 - “I love Somaderm because it’s formulated using homeopathic dilutions and as such works to optimize the functionality of each person’s glands at a rate that is unique to them.”
- Stephanie Rimka, DC, BCN – Chiropractor, Neurofeedback Therapist, Functional Medicine Specialist, Brain Optimization Expert
 - “I love the gel for my patients because I get the same clinical results as if I was using 30 different products. Better results, better compliance, less money.”
- Depiction of “Hair Re-growth!!” – “July 2018 – Aug 2018”
- Depiction of “ONE MONTH my wrinkles are diminishing”
- Hair re-growth depiction of “Josie’s results after 4 months on the gel! #getonthe gel #hairloss #thickerhair #hairgrowth”



During the pendency of the inquiry, DSSRC identified several additional product claims and income claims on the New U Life website as well as other social media posts from NUL distributors relating to income they have received as a NUL distributors.

COMPANY'S POSITION

The Company informed DSSRC that it has created a new Legal & Compliance Department to review distributors' social media activity on all platforms. According to NUL, a system has been implemented in which, upon discovery of promotional materials which do not comply with the Company's policies, a distributor is notified of the non-compliance immediately via email with a time allotment of 5 business days to reply. The distributor's back office is immediately disabled until a response and a review of the response has been made. Upon review, the distributor's back office will either be reinstated or revoked depending on the distributor's cooperation and compliance. A record is kept of each distributor's non-compliance, both in the Legal & Compliance Department and in the distributor's back office.

NUL also advised DSSRC that it implemented additional distributor education regarding compliance. This has been in the form of webinars, emails and back office material as well as open dialogue with Legal & Compliance Department regarding compliant social media material.

According to NUL, in 2019 new Policies & Procedures have been posted in each distributor's back office. The new Policies & Procedures include an updated section on compliance to address modern social media. Each new distributor is required to review the Policies & Procedures prior to signing a distributor agreement. In addition, the Company indicated that earlier this year it employed a social media manager who reviews social media accounts in more detail and investigates owners of social media accounts, group pages and websites, including the dark web. A weekly report is generated and a plan of action is implemented by the Company's compliance department.

In addition to the numerous compliance steps taken by the company and identified in NUL's letter to DSSRC of July 26, 2019, NUL has also hired a compliance officer and a paralegal to address DSSRC's concerns. The Compliance Officer has been conducting daily reviews of all media outlets for improper content and, where found, taken the action necessary to modify or remove the content through contacting individuals directly. NUL has also invested in software that facilitates its ongoing review of social media sites and claims regarding Somadertm. Further, NUL has reached out to all of the distributors whose social media posts were identified by DSSRC and the material identified by DSSRC has been removed from all accounts except one. NUL informed DSSRC that the remaining account has been placed on inactive status unless and until the material in question is removed.

More specifically, NUL informed DSSRC that it has removed any references to health benefits and Somaderm™ from its website and is in the process of reviewing any marketing and advertising materials to make similar changes.

The Company noted that several changes have also been made to the claims, images, and videos on the NUL website including the removal of any health-related claims for Somaderm™

and the removal of any claims that Somaderm™ is an “exclusive” topical hGH product. NUL noted that it added an earnings summary to the Company website² that describes the compensation plan to distributors.³

In addition, NUL represented that additional compliance measures have been added to the website’s Resources page, including posting “Do’s & Don’ts” documents that distributors can use to guide their practices, and that NUL intends to add additional resources to this page. NUL stated that it has reviewed all corporate materials and social media posts and removed or modified non-compliant content. All social media links identified by the DSSRC were addressed with the distributors and removed, except for one link. If any distributor did not respond to NUL’s requests within forty-eight (48) hours, NUL placed a hold on the account until the matter was resolved, and the Company has stated that this will be NUL’s policy going forward. For the one non-responsive distributor, NUL has placed his account on hold.

NUL also stated that it has had several calls with distributors explaining the urgency to be compliant at meetings, on social media, in creating sales tools, and in all other consumer-facing interactions. NUL informed DSSRC that it will continue to hold meetings and work with distributors on this effort. The Company stated that its Compliance Officer recently conducted a training call focused entirely on compliance and addressing income and product claims. The Company explained that the expansion of the Resources page on NUL’s website, with accessible compliance documents, is an additional way to assist distributors with compliance.

ANALYSIS

NUL has taken several steps to address the specific unsupported health claims that were disseminated on the Company website and in social media posts from NUL distributors that were brought to its attention by DSSRC. DSSRC determined that this action was necessary and appropriate particularly in light of the fact that no product testing was provided to DSSRC by the Company during the pendency of this inquiry to support the health-related and safety claims that were being disseminated. Notwithstanding the Company’s efforts to address its compliance issues, DSSRC continued to identify unsupported health claims being disseminated by NUL distributors and on the Company website.

Particularly troubling to DSSRC is that many of same types of claims at issue in this inquiry were also the subject of a self-regulatory inquiry commenced by the Electronic Retailing Self-Regulation Program (ERSP) in the spring of 2018 and which concluded in January 2019.⁴

In that inquiry ERSP noted that “the marketer did not submit any substantiation to support the performance and establishment claims and, as such, ERSP recommended that these claims be discontinued... In regard to claims that SOMADERM™ Gel is homeopathic or contains

² See <https://www.newulife.com/earnings-summary/>

³ According to NUL, all incoming distributors are required to make an initial \$59 purchase which includes a starter kit in a presentation box with materials and product. There is no annual fee that a distributor must pay to maintain their status as a NUL distributor. The active requirement is \$140 in sales volume with a 5-week rolling period which can be a personal purchase or may come from retail sales to customers.

⁴ See New U Life, Inc. *Somaderm™ Gel*; ERSP Case# 433 (1/23/19).

homeopathic GHG, ERSP noted that the marketer did not submit any evidence, such as a Homeopathic Pharmacopœia of the United States (HPUS) “proving” to support claims that the product is, in fact, homeopathic or contains homeopathic GHG. ERSP advised NUL that claims regarding whether the product or its ingredients are homeopathic should be truthfully and accurately communicated, and should comply with FDA guidelines. Additionally, ERSP recommended that NUL discontinue any claims that SOMADERM™ Gel is the only transdermal product containing homeopathic GHG, and any substantially similar claims.”

ERSP also determined that “it was important ... that the advertising included language that specifically limited the “FDA Registered” claim to the manufacturing facilities and National Drug Code, so that consumers would not interpret the claim as communicating that SOMADERM™ is an ‘FDA approved’ drug.”

NUL advised ERSP in writing that it removed the testimonials on the Company website and comprehensively updated information. NUL also indicated that it would “acknowledge the importance of the ERSP decision and will continue to work with them and provide them with updated information to make all descriptions accurate and fair to the consumer.” However, despite these assurances, unsupported health-related claims continued to be disseminated by NUL distributors and on the NUL website well after the ERSP decision was made public.

For example, in September 2019, NUL was advised by DSSRC that despite the Company’s commitment to adhere to the ERSP decision, it continued to represent in the “Science” section of the New U Life website that:

*“The benefits listed below are based on clinical studies where individuals growth hormone levels were brought to a healthy level under the care and direction of a licensed medical professional. 1. *May support better mood 2.*May support healthier hair, skin & nails 3.*May promote hair growth 4.*May increase joint mobility 5. *May enhance libido 6. *May increase fat loss (especially around the mid-section 7. *May support greater muscle tone 8.* May increase strength 9.* May improve memory.”*

Notwithstanding these claims, NUL has provided no evidence that Somaderm™ (or its individual ingredients) provide any efficacious benefits for these conditions.”

Moreover, since the commencement of this inquiry, DSSRC has identified additional videos and social media posts from distributors, medical professionals and third-party retailers which communicate many of the same unsupported product performance claims⁵ and endorsements that were the subject of both the ERSP and DSSRC inquiries on an ongoing basis including claims that Somaderm™ is FDA Registered⁶ and that Somaderm™ is the only homeopathic transdermal gel with human growth hormone which is in direct contravention to the ERSP decision.⁷

⁵ See <https://harmonyhealthmassage.com/wp-content/uploads/2019/08/somaderm-gel-product-booklet.pdf>.

⁶ See <https://www.wholehealthllc.com/fda-registered-hgh/>.

⁷ See <https://www.petranicoll.com/product-page/somaderm-gel>.

DSSRC acknowledges that NUL has been responsive to posts and online claims regarding Somaderm™ that have been brought to its attention and has either removed the claims or informed distributors that their social media posts contain unauthorized claims for Somaderm™. However, many of the same issues and claims that were the subject of both the ERSP case and the inquiry commenced by DSSRC continue to proliferate in the marketplace. Moreover, although NUL has subsequently implemented significant steps to increase its compliance processes and elevated its level of communication with its distributors regarding claim substantiation, it cannot be ignored that the Company did not demonstrate that it took any significant action to modify claims for Somaderm™ until well after the ERSP decision was made public and well after the commencement of this inquiry by DSSRC.⁸

In addition, after DSSRC raised concerns about aggressive earning claims made by company distributors that came to its attention after this inquiry began, the Company informed DSSRC that it included an “earnings summary” on the NUL website.⁹ More specifically, the earnings summary includes the lowest, the highest and the annualized income earned by distributors in 2018 at seven different levels in the Company.¹⁰ DSSRC agreed that the posting of an earnings disclosure on the Company website was a constructive step by the Company. DSSRC remains hopeful that NUL distributors will reference the applicable average (i.e., annualized) earnings when qualifying atypical earnings representations in promotional materials including social media posts, DSSRC noted, however, that the information provided in the 2018 earnings summary was confusing and raised several questions. For example, the annualized earnings for a NUL associate distributor (the lowest distributor rank in the Company) was \$2,163.20 which appeared inordinately high as compared to the entry-level average distributor earnings at other direct selling companies. Accordingly, DSSRC concluded that the NUL earnings disclosure did little to clarify the approximate number of entry-level (i.e., associate-level) NUL distributors who achieved such annual income, indicating only that the number of distributors to realize such an annual income was less than thirty-eight percent (“< 38%.”). Adding to the confusion is NUL’s disclosure at the bottom of the earnings summary stating that *“Only 4.1% of Distributors earned more than \$600.00, with many of the 95.9% earning \$0.”*

In sum, while acknowledging that NUL has been responsive in addressing the specific product performance and earnings claims that were identified to the Company by DSSRC during the pendency of this inquiry, DSSRC continues to identify unsupported health related product performance and earnings claims that are being disseminated in distributor videos and on distributor social media posts.¹¹ As such, DSSRC remains extremely concerned regarding what appears to be significant systemic compliance issues regarding the Company’s ability to appropriately monitor the claims being disseminated by its distributors as well as on the Company

⁸ For example, although the ERSP decision was publicly released on January 23, 2019, unsupported product performance claims continued to be disseminated on the NUL website as recently as October 2019.

⁹ <https://www.newulife.com/earnings-summary/>.

¹⁰ The listed distributor ranks include: Associate; Promotor; Coordinator; Coach; Life Coach; Ambassador; Diamond Ambassador.

¹¹ One needs only to visit NUL Youtube page at https://www.youtube.com/playlist?list=PL2S7IQP_vOi4ouN-bIP3I28I-1k3W4WZh to see examples of unsupported and unqualified product performance and earnings claims

website, noting the Company has been on notice of problematic product performance claims since January 2019.

CONCLUSION

Considering that there has been no substantive evidence provided by the Company to support product performance claims for Somaderm™ in this inquiry and in the ERSP matter, DSSRC recommends that NUL continue its efforts to modify the Company website and remove product performance claims being made on distributor social media platforms and videos. DSSRC will provide NUL with a reasonable period of time to contact distributors that are disseminating claims that are not in compliance with the conclusions and recommendations made in the ERSP decision referenced herein and in this DSSRC inquiry. DSSRC also recommends that NUL modify the earnings disclosure that appears on the Company website to provide greater clarity regarding the average income that has been realized by associate-level NUL distributors including those distributors who did not receive any income at all. DSSRC also recommends that any NUL distributor who disseminates an atypical earnings claim include a clear and conspicuous disclosure of the average annual income that can be generally expected by NUL distributors of the same rank as the distributor making the post. DSSRC further notes that simply hyperlinking to the earnings disclosure posted on the NUL website will not be considered an adequate disclosure for this purpose.

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

New U Life Corporation appreciates and respects the self-regulatory process and is committed to truthful and accurate advertising. As noted by the DSSRC, the company has made modifications to its website, policies, earnings disclosures and training program to address DSSRC's concerns. We are committed to running a business that is entirely compliant with all FTC guidelines and will work to ensure continued compliance by the entire New U Life family.

(Case No. 16-2020PCM, closed on 3/27/2020)
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