

# Neora Triumphs over FTC in Landmark Case

Texas direct seller successfully defends itself against all charges, business model upheld

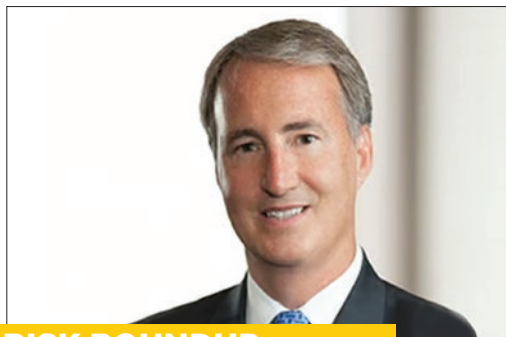


In a pivotal ruling, Dallas-based direct sales firm Neora has prevailed against the Federal Trade Commission (FTC) in a multi-year legal case that has drawn the focus of industry executives, direct selling participants and regulatory agencies. The U.S. District Court for the Northern District of Texas, Dallas Division, announced its decision on Sept. 28, 2023, stating that the FTC failed to provide substantial evidence to support its claims that Neora operated as a pyramid scheme. After a seven-year battle, the ruling comes as a major win for Neora and the direct selling channel at large, affirming the legality of the company's business model.

In the 56-page ruling, Judge Barbara Lynn denied every FTC claim against the company as well as its CEO, Jeffrey Olson, rejecting the Commission's argument that Neora was operating as an illegal pyramid scheme and that it made deceptive income and product claims. The decision represents the first instance of a direct selling company

CONTINUED ON PAGE 6

## INSIDE THIS ISSUE



**RISK ROUNDUP**

**Q&A WITH NEORA'S LEAD COUNSEL**

Ed Burbach talks to SSN about the landmark case.

12



**SPECIAL REPORT**

**PHILANTHROPY IS A CORE MISSION FOR DIRECT SELLERS**

Companies integrate charitable initiatives to transform lives and communities.

15



**THE RANKS THANKS**

**RECOGNIZING COMPANIES THAT GIVE BACK**

Direct sellers and suppliers support worthy causes around the world.

21





## All Roads Lead to Exigo

Does your tech stack have you feeling lost? Find your way back to real growth, unmatched accuracy and security, and lightning speed with Exigo.

Contact us at [sales@Exigo.com](mailto:sales@Exigo.com) to schedule a demo today.



# INSIDE November 2023

## COVER STORY

### 01 NEORA TRIUMPHS OVER FTC IN LANDMARK CASE

*Texas direct seller successfully defends itself against all charges, validating its business model*

By David Bland

## RISK ROUNDUP

### 12 Q&A WITH ED BURBACH, NEORA'S LEAD COUNSEL IN FTC LAWSUIT

By David Bland

## SPECIAL REPORT

### 15 DIRECT SELLING COMPANIES MAKE PHILANTHROPY A CORE MISSION, IMPACTING MILLIONS

*Creating lasting legacies through charitable giving and passion-driven support*

By Jenna Lang Warford



## 18 OPTICS: THE FACES OF CORPORATE COMPASSION

## THE RANKS THANKS 21 RECOGNIZING PHILANTHROPY IN THE CHANNEL

## INSIDE EACH ISSUE

05 PUBLISHER'S NOTE

24 WHAT'S NEW

25 MEET OUR PARTNERS

26 PEOPLE ON THE MOVE

28 RESOURCE DIRECTORY

# Direct Selling's *Premier* C-Level Event!



Wednesday - Friday

**Feb. 28 - March 1, 2024**  
JW Marriott Austin  
Austin, Texas

Join us for an intensive multi-day summit focused on critical issues facing the direct selling industry and tailored to CEOs, executives, compliance professionals, and corporate attorneys in direct sales.

**Discuss strategies, discover best practices and network with the top minds in the industry!**

[dsicsummit.org](https://dsicsummit.org)

Tickets & Sponsorships  
**NOW AVAILABLE**



NOVEMBER 2023 | VOLUME 6 ISSUE 6

**PUBLISHER**

David Bland  
david@socialsellingnews.com

**INTERIM DIRECTOR OF ADVERTISING SALES**

Anabelle Gilliam  
512-623-9269  
anabelletg@gmail.com

**ART DIRECTOR**

April Allman

**CONTRIBUTING EDITORS**

Jennifer Mills  
Jenna Lang Warford

**NEWS**

We welcome all of your news.  
Please send press releases and all news to [contact@socialsellingnews.com](mailto:contact@socialsellingnews.com)

**ADVERTISE**

For advertising rates and opportunities at *Social Selling News*, call 512-623-9269, or email [anabelletg@gmail.com](mailto:anabelletg@gmail.com)

Please send all additional inquires to [contact@socialsellingnews.com](mailto:contact@socialsellingnews.com)

To subscribe, please visit [SocialSellingNews.com](https://SocialSellingNews.com)

**SOCIAL SELLING NEWS**

8127 Mesa Dr  
Ste B206-295  
Austin, TX 78759  
[www.socialsellingnews.com](http://www.socialsellingnews.com)  
325-261-3778

*Social Selling News* is a monthly publication of New Generation Media LLC.

**SUBSCRIPTION RATE:** Complimentary to all verified direct selling and supplier executives in the U.S. through December 2023. All others \$65 annually for print and digital. Digital only subscriptions \$58 per year. Subscribe online.



Printed on 35# Hi-brite paper with environmentally friendly soy oil-based inks by Community Impact Printing, Pflugerville, Texas.

## — PUBLISHER'S NOTE ►►

# SSN's Annual Philanthropy Issue

## Celebrating the generosity of the channel

Hello friends!

As we move into the final quarter of 2023 and turn our attention to gratitude and thanksgiving, I am thrilled to bring you our annual Philanthropy Issue, celebrating the enormous generosity of the companies in the channel as well as their representatives.

It is extremely gratifying to see how, year after year, these direct sellers are making significant differences in the lives of individuals and entire communities. From scholarships to disaster relief efforts, the altruism on display is a testament to the collective power of goodwill and "giving back" that resonates throughout our industry.

It is these acts of kindness that truly elevate direct selling, underscoring the fact that success

is not just measured by profit margins but also by the positive impact of so many charitable programs and foundations across the channel.

And speaking of success, I am also very happy this month to bring you our in-depth coverage of Neora's landmark win over the FTC. Our cover story will give you a detailed breakdown and history of the case. And for further insights, don't miss this month's *Risk Roundup*, in which Neora's lead counsel, Ed Burbach, provides his insights on his client's momentous victory.

This win not only vindicates Neora but also sets a precedent that bolsters the legal standing of every legitimate direct selling company—and for this, I know that the entire channel joins SSN in expressing gratitude to Neora and its leaders.

Finally, I want to extend my personal thanks to everyone across the channel who has contributed their wisdom, their experiences and their opinions to SSN over the past year. The insights provided by company and field leaders, legal minds and the channel's suppliers are truly the best part of this publication.

I wish each of you a wonderful holiday season ahead, and thank YOU for reading!

With gratitude,



DAVID BLAND

## ONLINE EXCLUSIVES

Be sure to visit [socialsellingnews.com](https://socialsellingnews.com) for exclusive online content.

## FOLLOW US ONLINE

[Facebook.com/socialsellingnews](https://Facebook.com/socialsellingnews)

@SSellingNews

[LinkedIn.com/social-selling-news](https://LinkedIn.com/social-selling-news)



successfully defending itself against pyramid scheme allegations in court.

**Case History – An Unprecedented Response Leads to Decisive Victory**

In 2016, Neora was targeted by the consumer advocacy group Truth in Advertising (TINA). According to the TINA website, “TINA.org investigated Neora, formerly known as Nerium International, a Texas-based multilevel marketing company that sells a line of skin care products, as well as supplements, and found that the company and its distributors used unsubstantiated disease-treatment claims to market products and atypical income claims to recruit distributors.” TINA subsequently requested that the FTC open an investigation of Neora.

On June 21, 2016, the FTC issued a 28-page Civil Investigative Demand (CID) to Neora, and over

the next three and a half years, the company provided the Commission with millions of documents, emails, sales and compensation data files.

Despite having access to this information, as well as the analysis of econometrician Dr. Walter Vanale – the former economic advisor to the FTC’s Director of the Bureau of Economics who argued that Neora was not a pyramid scheme – the FTC demanded that Neora stop operating as a multi-level marketing company and that its owner, Olson, cease working in the direct selling channel.

On Nov. 1, 2019, just hours before the FTC brought its charges against the company, Neora and Olson filed a 60-page countersuit complaint against the FTC in Chicago Federal Court challenging the Commission’s “intimidation tactics” against the company and the direct selling channel as a whole.

Neora and Olson’s lawsuit sought declaratory and injunctive relief, asking the court to officially state that its business model does not constitute a pyramid scheme. It also aimed to block the FTC from initiating civil administrative proceedings against Neora and other direct sellers already deemed legal under state laws.

Neora’s complaint stated that the FTC’s actions against it and other direct sellers violated a recent presidential executive order aimed at preventing federal agencies from altering existing regulations without following proper procedures, including public notice. Neora argued that the FTC sidestepped these requirements to pursue its enforcement actions.

Neora’s lawsuit was ultimately dismissed for lack of subject matter jurisdiction. The court ruled that the claims presented were

not “ripe for judicial resolution” and that the plaintiffs could defend themselves in the FTC’s enforcement action.

**FTC Sues Neora and Its Owner/CEO**

A five-count lawsuit was filed by the FTC on the same day as Neora’s suit, Nov. 1, 2019, in the U.S. District Court of New Jersey. In it, the Commission alleged that Neora and Olson operated the company as an illegal pyramid scheme (Count 1); violated Sections 5 and 12 of the FTC Act by making unsubstantiated income claims (Count 2) and product claims, including efficacy and establishment claims (Counts 3 and 4). The defendants were also accused of providing the “means and instrumentalities” for Brand Partners to disseminate the allegedly non-compliant claims (Count 5).

Also included in the lawsuit were Signum Biosciences and Signum Nutralogix, two companies that were suppliers of the active ingredient in two of Neora’s products, a brain health supplement called EHT that is derived from coffee.



The FTC alleged that, starting in 2014, the defendants made unsupported health claims about their EHT products, including claims that these products could help treat or prevent conditions such as Alzheimer’s, Parkinson’s and chronic traumatic encephalopathy (CTE), a progressive neurodegenerative disease associated with head trauma and concussion.

In the week-long trial held in October 2022, U.S. District Judge Lynn weighed whether the FTC was entitled to injunctive relief against the defendants. Originally, the FTC had also sought monetary damages under Section 13(b) of the FTC Act.

However, following the Supreme Court’s 2021 decision in *AMG Capital* that the Commission could not obtain monetary redress through 13(b), the court dismissed the FTC’s claims for financial redress.

**Case Transferred to Dallas Court**

In a July 27, 2020, ruling, the Federal District Court in New Jersey approved a motion from Neora and Olson to relocate their case to the Fifth Circuit U.S. District Court in Dallas, contrary to the FTC’s preferred New Jersey venue. Following this win, Neora informed the Federal District Court in Chicago on Aug. 14 that it would drop its Chicago lawsuit against the FTC and consolidate all claims into the Dallas case.

**CONTINUED ON PAGE 9**

**Ignite™**  
Lead Capture  
Customer Relationship Management  
Marketing Automation

**Digital Marketing Platform All-in-One System**

- Email Messaging
- SMS Texting
- Social Media Integration
- Sparksite Marketing Landing Pages

Scan this QR code for your easy 14 DAY TRIAL

**trinity SOFTWARE**  
(817) 394-5401 | sales@trinitysoft.net  
firestormignite.com

# INDUSTRY BUZZ

## Verb's Direct Selling Division Receives Major Investment from Scaleworks

VerbCRM, the leading sales enablement platform in the direct selling industry, received a major investment from Scaleworks, a SaaS focused equity firm based out of San Antonio, Texas that is now the majority shareholder. This is exciting news for VerbCRM and its customers, as Scaleworks recently raised **\$110 million** to deploy across its portfolio of companies, including VerbCRM.

VerbCRM is still led by the same Executive Team and staff of industry experts that built the business. Bottom line: VerbCRM now has the best of all worlds — unparalleled direct selling experience

coupled with financial backing, a big vision, and access to new technologies to take their platform to the next level.

Whether you are looking to increase your recruiting, expand your online selling, automate your product sampling, or simplify your distributor on-boarding, you should strongly consider VerbCRM as the phone app for your field organization. The company has been rated the #1 Sales Enablement Platform in Social Selling News ... and it's about to enter a new phase of innovation and growth.

TRAINING • ONBOARDING • CUSTOMER ACQUISITION • RETENTION • BUSINESS REPORTS



**verb**  
Direct Sales Division

**#1 RATED SALES  
ENABLEMENT  
PLATFORM**

**SSN** SOCIAL  
SELLING  
NEWS

SCHEDULE A DEMO TODAY:



**JJ OSWALD**  
jjo@verb.tech  
801.518.4466



**JAMES PORTER**  
jmp@verb.tech  
801.369.5191

## COVER STORY ▶▶

NEORA TRIUMPHS OVER FTC, CONTINUED FROM 7

### The 5th Circuit's Torres Pyramid Test

In determining what constitutes an illegal pyramid scheme, the Texas court used the Fifth Circuit's framework from *Torres v. SGE Management* as a test, rather than the more well-known and cited *Koscot* test, which the Fifth Circuit has never formally adopted. The *Torres* criteria require courts to examine how a multi-level marketing business functions in reality.

Unlike the *Koscot* test, the *Torres* test has specific guidelines more aligned with the Fifth Circuit's jurisprudence. Under the *Torres* test, a court needs to consider two main factors:

1. The court must examine how the multi-level marketing (MLM) company operates in actual practice, not just according to its stated policies or promotional materials.
2. The primary consideration is whether the MLM business focuses almost exclusively on recruitment rather than the sale of actual goods or services. If the primary business activity is recruitment and not sales, it is more likely to be deemed an illegal pyramid scheme.

### Court Rejects Opinions of FTC's Expert Witness

In a major blow to the Commission's case, the court dismissed the testimony of Dr. Stacie Bosley, a frequently cited expert witness for the FTC and the FTC's only witness to testify in support of its pyramid scheme claim.

Bosley testified that 96% of Neora's approximately 400,000 distributors, or Brand Partners (BPs), have lost money. She claimed

“...any company without a healthy preferred customer program would be well advised to give serious consideration to instituting and supporting such a program.”

— Larry Steinberg, Chair, Multilevel Marketing Industry Group, Buchalter

that Neora's rewards structure is mainly recruitment-based, rather than tied to actual sales, making it a pyramid scheme. The court found issues with Dr. Bosley's assumptions, which didn't consider BPs who buy products for personal use rather than to qualify for rewards.

Dr. Bosley's analysis was based on three key assumptions: 1) An ultimate user is someone who buys the product solely for its value and not for a business opportunity. 2) Rewards don't have to be completely unrelated to sales to ultimate users for a system to be a pyramid scheme. 3) BPs primarily buy products to pursue business opportunities, thus not qualifying as ultimate users.

The court, however, pointed out that the FTC offered no tangible evidence supporting the third assumption. Neora presented data suggesting that some BPs are motivated by product discounts, challenging the FTC's claims.

The court also criticized the FTC for failing to consider evidence about why BPs make purchases, contrary to its own 2018 guidance. The court concluded that while the FTC may speculate that Neora BPs could be purchasing products to qualify for recruitment incentives, it provided no solid evidence to support this theory, thereby failing to meet the criteria for proving Neora as a pyramid scheme.

### Court Validates Neora's Disclaimer and Disclosure Statements

In response to the Commission's accusations of non-compliant earnings claims, the court acknowledged some issues with the examples provided by the FTC but pointed out that many

dated back to before 2019 or were from now-discontinued programs.

For recent earnings claims, the court highlighted that Neora included a prominent disclaimer stating there was no guaranteed income level for Brand Partners. The disclaimer also directed viewers to an Income Disclosure Statement. The court found Neora's efforts to align its policies with FTC guidelines issued in 2018 and suggestions from the Direct Selling Self-Regulatory Council (DSSRC) to be significant.

### FTC Unable to Prove Neora Responsible for Statements Made by Brand Partners

Count 3 alleged that Neora falsely claimed its EHT product was effective at preventing and treating several medical conditions, including Alzheimer's and Parkinson's diseases. Count 4 charged Neora with falsely asserting that EHT has been scientifically proven to prevent or treat these conditions.

The FTC's case heavily relied on recent statements by Neora Brand Partners (BPs) on social media linking EHT with various diseases. However, the court found that the FTC did not prove that Neora was responsible for the BPs' false claims. Furthermore, while the FTC pointed to older misrepresentations made in 2015, the court noted that those materials were outdated and that Neora had advised against making such medical claims.

In a footnote, the court detailed further its opinions on the relationship between BPs and the defendants.

CONTINUED ON PAGE 10



NEORA TRIUMPHS OVER FTC, CONTINUED FROM 9

“As discussed, the FTC has not established that BPs are Defendants’ agents, and thus the Court disregards statements or representations by BPs in evaluating whether Defendants have violated § 5 of the FTC Act by making misleading representations regarding BPs’ potential income. However, even if BPs are considered Defendants’ agents for purposes of the income and product claims, the Court concludes that there is no basis to impose liability on Defendants for statements by BPs in light of a rigorous compliance program and proactive efforts Defendants take to curb problematic statements by BPs through training efforts, approved marketing materials, and enforcement of the relevant policies in the P&Ps.”

**Means and Instrumentalities Count Dismissed**

The FTC alleged in Count 5 that Neora and its affiliates violated consumer protection laws by distributing deceptive marketing materials to its representatives. These materials allegedly misled consumers about earning potential and the scientific backing of Neora’s EHT products.

However, the court found that Neora provided clear guidelines and ongoing training to its BPs to ensure compliant income and product statements. Additionally, the FTC did not contest the company’s income disclosure statements or its compliance materials. The court concluded that Neora did not provide the means for its Business Partners to deceive consumers, thereby finding no violation of Section 5 of the FTC Act.

**DSA Files Amicus Brief**

On July 20, 2023, the Direct Selling Association (DSA) submitted a “friend of the court” brief for consideration. This

action came after the FTC drew the court’s attention to a recent Arizona case against Success by Health, where the latter was deemed a pyramid scheme.

In its submission, DSA emphasized existing legal parameters for lawful compensation models, specifically citing that rewards should be “mainly based on recruitment.” The DSA brief supplemented a more extensive document that the Association had previously submitted prior to the trial.

After the court’s decision was announced, DSA President and CEO Joseph Mariano stated, “The court cited the company’s robust inventory repurchase agreement and strong compliance efforts that all DSA members abide by. The decision reinforces the importance of these principles as core tenets of consumer protection and Neora’s adherence to them as part of their membership in the association.”

**Legal Perspectives on the Neora Case**

Various legal minds across the direct selling channel recognize that this case will have far-reaching implications that will affect future FTC actions against direct sellers.

“Though there is much in this decision to celebrate, this is not time to spike the football,” cautions Larry Steinberg, chair of the Multilevel Marketing Group at Buchalter law firm.

“Perhaps the biggest takeaway from the court’s decision is that, if a company can prove that its business is primarily driven by retail sales, and if a company devotes the resources necessary for a proactive and robust compliance effort, a court will not simply rubberstamp the FTC’s conclusory and unproven allegation that the business opportunity is a pyramid.”

Steinberg continues, “There are many elements in the decision worthy of note, but one which will be of great use to the industry going forward is a recognition that a distributor’s purchase of products which have demonstrated retail demand and real value should not, without convincing evidence, automatically be considered as a business expense and a cost of the business opportunity.”

“Given Neora’s preferred customer program, which constituted 80% of the company’s sales, any company without a healthy preferred customer program would be well advised to give serious consideration to instituting and supporting such a program.”

John Sanders, a partner at Winston & Strawn, highlights the significance of the court’s rejection of many important elements of the FTC’s case, but cautions the Commission will likely be better prepared in future litigation.

“The outcome of the FTC’s case against Neora represents a significant victory for the direct selling industry,” Sanders says. “In the recent past, the FTC has persistently pushed new theories for what constitutes unlawful conduct. Judge Lynn’s rejection of many of the FTC’s theories goes a long way in providing much-needed guidance to legitimate direct sellers.”

“The court’s rejection of the FTC expert’s opinion that sales to distributors cannot constitute sales to end users is an important win. So too was the court’s acceptance of Neora’s contention that not all distributors sign up to earn compensation.”

“However, the industry should not read too far into the decision,” Sanders warns. “A close reading of the opinion makes clear that the decision could have gone the other way if Neora did not have data and other evidence to demonstrate that it operated a legitimate business in practice. The FTC could also have done a

“**The Court rejected FTC’s attempt to move the goal posts delineating what constitutes an illegal pyramid based upon unpublished, subjective criteria.**”  
— Brent Kugler, Partner, Scheef & Stone LLP

far better job adducing evidence of its claims. You can expect the FTC to be far better prepared should it bring a future case against a direct selling company.”

Brent Kugler, a partner at Scheef & Stone LLP, notes the importance of the court’s rejection of the Commission’s subjective criteria for a pyramid scheme, relying instead on established case law.

“One of the positives from FTC v. Neora is the Court’s refusal to apply an expanded definition of pyramid scheme beyond that found in existing case law and FTC interpretative publications,” Kugler says.

“A concerning development in the fall of 2019 was the FTC’s espousal of new criteria for defining an illegal compensation plan, notably Andrew Smith’s public comments about ‘threshold-based’ and ‘duplication-based’ compensation structures.”

“In *Neora*, the court framed its analysis of the FTC’s pyramid scheme allegations around existing case law, notably *Koscot* and its Fifth Circuit progeny, *Torres v. SMG Management*, and FTC’s 2004 Staff Advisory Opinion and 2018 Guidance to the MLM Industry, which set forth FTC position statements on

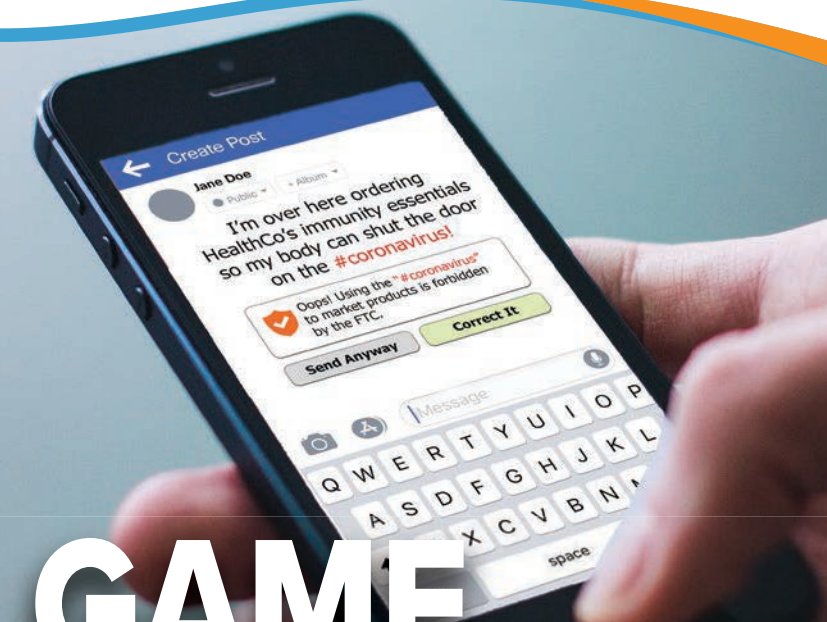
factors distinguishing between a legal compensation structure and an illegal pyramid.

“The Court rejected FTC’s attempt to move the goal posts delineating what constitutes an illegal pyramid based upon unpublished, subjective criteria,” Kugler says. “Just as importantly, the Court cited the FTC’s lack of published guidance to industry on permissible earnings claims as a key factor in finding that Neora is not liable for publishing deceptive or misleading income claims.”

SSN



David Bland is the publisher of *Social Selling News*.



# GAME CHANGER.

## ELIMINATE ILLEGAL CLAIMS BEFORE THEY EVER GO OUT

For years, your compliance team has worked tirelessly to find and resolve inaccurate online income, product and lifestyle claims after they have already been posted.

Introducing **FieldCheck™** — the first and only system that can prevent improper claims from ever reaching the internet ... and even suggest to your field new ways they can deliver the right message, directly from their favorite mobile and social media apps.  
**Contact us today for a demo.**

**MOMENTUMFACTOR**  
WE PROTECT - WITH PASSION  
512.690.2134 • hi@momofactor.com

fully integrated with

“**The court’s rejection of the FTC expert’s opinion that sales to distributors cannot constitute sales to end users is an important win. So too was the court’s acceptance of Neora’s contention that not all distributors sign up to earn compensation.**”

— John Sanders, Partner, Winston & Strawn

# Q&A with Ed Burbach, Neora's Lead Counsel in FTC Lawsuit

Burbach is Co-Chair of Foley and Lardner's State Attorneys General and FTC Consumer Practices

## SSN: What triggered the lawsuit?

**EB:** Connecticut-based Truth in Advertising (TINA) is a self-proclaimed tax exempt "consumer advocacy group," which also sometimes refers to itself as "journalists." TINA consists of merely seven people. TINA is funded by Hyatt Hotel heiress Karen Pritzker. In 2016 TINA learned that Neora (at that time known as Nerium) had won an award from the Direct Selling Association (DSA) so it decided to "investigate" Neora.

TINA had no consumer complaints about Neora (at that time known as Nerium). Nevertheless, TINA submitted its own complaint about Neora's advertising to the FTC. TINA proclaimed that Neora and its Brand Partners were violating the FTC Act by making income and product claims.

TINA requested that the FTC open an investigation of Neora. On June 21, 2016, the FTC issued a 28-page Civil Investigative Demand (CID) (a type of civil subpoena) to Neora.

Over a period of nearly three and a half years Neora produced millions of documents, emails, sales and compensation data files, etc., to the FTC. The FTC had all of this information and full access to renowned expert econometrician, Dr. Walter Vandaele (a former economic advisor to the FTC's Director of the Bureau of Economics, who has a Ph.D. from University of Chicago and was a professor at Massachusetts Institute of Technology (MIT) and Harvard).

His analysis was that Neora was not even close to being a pyramid scheme, but the FTC nevertheless demanded that Neora stop operating as a multi-level marketing company and that its owner, Jeff Olson, not work in the MLM industry.

The FTC threatened to sue Neora and Olson in a Chicago federal court. On Nov. 1, 2019, Neora and Olson sued the FTC in Chicago federal court seeking a declaratory judgment that they were not violating the law and related injunctive relief.

Unhappy with Chicago, that afternoon the FTC sued Neora, Olson, and two Signum companies, the suppliers of one of Neora's products, EHT, in federal court in Trenton, New Jersey. However, the FTC had already settled with Signum for no money and inconsequential injunctive relief, which caused it to make no changes.

The FTC publicly announced its lawsuit with a press release titled "FTC Sues Multi-Level Marketer Neora, formerly known as Nerium, Alleging it Operates as an Illegal Pyramid Scheme—Nerium also falsely promotes brain health supplements, agency says."

Interestingly, even today, October 22, 2023, the FTC's web page attacks on Neora and Olson are still live and make no mention of Neora's own lawsuit or Judge Lynn's September 28, 2023, 56-page opinion rejecting all of the FTC's claims.

## SSN: What surprised you the most about the FTC's strategy in this case?

**EB:** That it pursued a pyramid scheme claim when it long had Neora's actual data. Instead, the FTC avoided using the "primarily generated from" Koscot analysis (the very test which the FTC had long recognized—including in at least 20 federal court pleadings—until Neora). Instead, it favored an amorphous "over emphasis on recruiting" test.

But at trial, even the FTC's own expert, behavioral economist from Hamline University



Ed Burbach

Stacie Bosley, admitted that it has "no metric." Judge Lynn's opinion describes it and her analysis as consisting of "rigid theoretical assumptions" not "born out of reality," "unsupported by the evidence," and "slavish."

I was surprised the FTC went forward with its income and product claims when it knew it could not call any alleged injured person at trial. Instead, in its closing argument, the FTC referred to an injured rep. named "Maria."

I was also surprised that the FTC had its expert neurologist and neurosurgeon sign sworn expert reports regarding Neora's EHT product.

## SSN: Has Neora set a new legal standard for direct selling legitimacy?

**EB:** Judge Lynn's extensive opinion very clearly sets forth that Neora's business model and practices are legal and thus a standard to which the industry can look.

## SSN: Does this case get us any closer to a federal statute defining a legal MLM?

**EB:** Most states have laws defining a legal MLM. Until Congress adopts a federal standard (or the FTC does so through formal rulemaking), Judge Lynn's thorough opinion sets the standard.

Judge Lynn started off by rejecting the FTC's attempts to avoid the "primarily generated from" test, the very test which the FTC had long recognized (at least until Neora). She then clarified that in the 5th Circuit, the Torres "exclusively" test sets forth an even higher burden for the FTC.

With regard to earnings claims, Judge Lynn said it best when she addressed the confusion in the industry: "Defendants aspire to abide by the law regarding permissible income claims, and in the absence of clear guidelines on what the law is, have revisited and revised their practices over time."

## SSN: What are the reputational implications of a case like this?

**EB:** Huge. After years of being publicly vilified by the FTC, self-proclaimed advocacy groups, and others, thank goodness that Jeff Olson, Neora, and its employees and Brand Partners can now regain their reputations.

## SSN: What are the takeaways in terms of bulletproofing the comp plan and disclosure statements?

**EB:** An accurate answer would take more space than we have here. However, making sure your compensation plan produces sales and compensation results comply with the "primarily generated from" test.

## SSN: Losing their banking relationships was a huge hurdle for Neora to overcome. How can other companies protect against this happening to them?

**EB:** Unfortunately, as the country learned during "Operation Choke Point," the FTC is well aware that making allegations (regardless of the facts or law) against a direct selling company results in loss of banking relationships. Companies can best protect against this by complying with the law and being prepared to have sufficient

evidence to quickly respond in court to any allegations to the contrary. ["Operation Choke Point" was a controversial initiative of the U.S. Department of Justice during the Obama Administration that investigated U.S. banks and their dealings with payday lenders, gun retailers, and other companies.]

## SSN: Aside from solid comp plans and compliance programs, what should direct sellers make sure to have in place to protect them from these types of lawsuits?

**EB:** With legally compliant compensation and compliance programs in place and, importantly, in action, direct selling companies should be prepared to have sufficient evidence to quickly respond in court to any allegations to the contrary.

## SSN: Why did this case take so many years to complete?

**EB:** The short answer is the FTC.

The FTC spent the first three and a half years investigating Neora, requiring production of millions of documents, emails, and data at great expense to Neora.

Negotiations were had before and after the suit, but unfortunately, the FTC's "overemphasis on recruiting" belief that no one should be paid any compensation other than the person making the sale (or perhaps up one level) ensured that a settlement could not be reached if Neora (and the industry) wanted to continue operating as a multilevel-marketing company.

The FTC fought hard in litigation against Neora and Olson thus stretching it out to four years. Some examples:

- The FTC opposed Neora and Olson's efforts to transfer the FTC's Trenton, N.J., federal court lawsuit to the proper venue in Dallas, Texas. That procedural dispute took 9 months (on July 27, 2020, Judge Wolfson ordered the transfer).
- Despite the U.S. Supreme Court's April 22, 2021, *AMG* opinion making clear that the FTC could not seek monetary relief from Neora or Olson, it nevertheless refused to drop its claims against Neora, thus requiring Neora and Olson to spend the time and money to file motions seeking

court relief. It was not until the hearing that the FTC withdrew its opposition. On August 22, 2021, Judge Lynn granted Neora and Olson's motion for judgment on the pleadings on the issue.

- During the investigatory stage, the FTC refused to let Neora and Olson see its alleged economic analysis. However, it advised that it would be provided once a lawsuit was filed. Nevertheless, after the lawsuit was filed the FTC still refused to produce its alleged economic analysis citing "deliberative process privilege." Similarly, it refused to produce an organizational representative, its in-house economist, or other witnesses for depositions, and refused to produce documents, thus requiring Neora and Olson to spend months to obtain court orders requiring them. Fortunately, we were successful.
- Federal courts are often busy, not least of which because they not only handle civil lawsuits like ours, but also criminal cases, which must take priority. The fact that our lawsuit was pending during COVID certainly also added to the court's timing for trial.

Unified  
payment  
solutions for  
global reach.

Dallas, Texas



**metricsglobal**  
Worldwide Payment Solutions. Trusted Partner.

WITH GLOBAL ACCESS, EASY INTEGRATION, AND  
INFRASTRUCTURE BUILT FOR RECURRING PAYMENTS,  
YOU CAN REACH THE WORLD.

Contact us at  
[connect@metricsglobal.com](mailto:connect@metricsglobal.com)

**Metrics Global's unified commerce and payments platform enables you to sell anywhere and everywhere.** Your customers expect a localized and seamless buying experience, and we deliver it globally with one simple technical integration point.

We connect you to a functionality-rich, cloud-based technology platform that scales to fuel your market expansion strategy and drives optimization and efficiency within your payments infrastructure.

Top direct selling brands partner with us to provide best in class payment solutions that add meaningful business value; ease of integration, speed to market, localization, payment method optionality, and transaction security.

## Direct Selling Companies Make Philanthropy a Core Mission, Impacting Millions

Creating lasting legacies through charitable giving and passion-driven support is a cornerstone of the channel

By Jenna Lang Warford

Direct selling is a channel driven by passion: that of the founders, the executive teams, support staff and, perhaps most of all, the sales field. So it's no surprise that charitable giving is a prevalent component in many companies. While a few companies may have brought their charitable foundations more to the forefront due to Millennials' and Gen Z's drive to have careers with a cause they're passionate about, most were already active and vocal about their give-back positions—some of which directly align with the company's products.

"Epicure is passionate about getting good food into people's homes, so our giving initiatives are well-integrated into our overall mission," Brittany Munk, Epicure's director of sales, North America, says. "We believe everyone deserves good food—good food that fuels us, helps our children grow and learn, and that families can depend on. Good food is a necessity for every person, and the reason we established our 'Buy a Meal. Share a Meal.' program."

Amelia Warren, Epicure's CEO, adds, "For every Mac & Cheese purchased, we're donating meals to Feeding America or Food Banks Canada."

“It's humbling to see the impact Reliv, our Ambassadors and the Reliv Kalogris Foundation (RKF) have had.”

— Scott Montgomery, President, Reliv

Warren, who began her career working with national and local nonprofits, launched the Epicure Foundation in 2007 at the request of her mother, Epicure's founder, Sylvie Rochette. Last year, the company gave away almost 1 million meals and is on track to meet or exceed that in 2023. It also has a disaster relief program that makes in-kind donations to afflicted communities. The company has given millions to local grassroots organizations in Brand Ambassadors' communities.

Epicure and its charitable foundation received the 2022 Business of Good: Community Involvement Award by Canada's *BCBusiness* magazine for the work they do in addressing food insecurity.

**Legacy Company, Legacy Giving**

Another company whose charitable giving is closely aligned with its product mission is Reliv. A legacy company founded in 1988, its mission is "To Nourish the World." Reliv's president, Scott Montgomery, is also the former leader of its charitable giving foundation, Kalogris. The foundation, formed in 1995, is named for the formulator of the company's nutritional shakes: Theodore Kalogris.

It serves approximately 3.2 million shakes a year, mainly to hungry children.

Uniquely, Reliv's charitable giving is supported by volunteers, particularly in international locales that have ongoing, rather than

shorter-term, nutrition programs. Some programs have been in place since the initiation of the foundation, such as that in the Philippines, which has 211 separate nutrition programs serving 12,000 children daily, with a total of 500 volunteers. In Haiti, there are 34 ongoing programs with 350 volunteers serving 9,700 children. These two countries have very consistent, deliberate and organized programs, with volunteer staff mainly from churches; they also have well-developed relationships with the government agencies. The foundation serves in eight other countries, with hundreds of volunteers.

Montgomery says, "We're not disaster relief, where we show up because there's an earthquake or typhoon or disease outbreak. We're there every single day in those communities working with those volunteers. Because of that, I've had the privilege of meeting some of these children 10, 15, even 20 or 25 years ago. Now, some of these kids who found hope because of the nutrition Reliv was providing are now volunteering themselves. That hope made an impact on their lives. Some of these kids have gone on to finish high school where they probably would not have before. Some have

**CONTINUED ON 16**

MAKING PHILANTHROPY A CORE MISSION, CONTINUED FROM 15

gone on to college. One child grew into a young lady who's pursuing her dream of being a flight attendant. It's humbling to see the impact Reliv, our Ambassadors and the Reliv Kalogris Foundation (RKF) have had."

Ninety-five percent of the donations to RKF come from the field, and a whopping 96% of those donations are used for nutrition, with only 4% going to administrative costs.

In addition to the efforts of the RKF, the company recently took a leadership contingent of 10 couples to help with relief efforts in Maui, Hawaii, after its recent fires. "The trip hosts were facing hardship. Some have lost their jobs and even their homes, and are now facing inflation that's through the roof. The vibe is different in Maui now, but we know we were able to make a difference there."

**Expanding The Vision & Mission**

**Plexus Worldwide** began as a company focused on a philanthropic mission—breast health. Still today, the company will make a matching donation to Cancer Support Community Arizona and other affiliates across the U.S. through the purchase of both Lean and Slim products. The company has also brought its mission of nutrition health to the forefront of its charitable giving. Beginning in 2018, with its Nourish One initiative, it formed a significant partnership with Feeding America® to help provide meals to Americans who experience food insecurity.

Elizabeth Woods, senior manager of corporate social responsibility, says, "Through this initiative, people can purchase products while helping children and families facing hunger; a monetary donation equivalent to 10 meals is made for every purchase of Plexus Lean and 3 meals for every purchase of Reset. To date, over 38

**“It’s about more than giving money... time and effort are way more valuable, because it’s always about the life that you’re impacting.”**  
 — *Kenny Brady, VP of Leadership Development, LuLaRoe*

million meals have been donated in the U.S., with a target goal of 40 million by the end of 2023."

Plexus' corporate employees continue the company's efforts through an annual toy drive in partnership with the Salvation Army as well as a community walk that supports a long-time local partner, the Phoenix Children's Hospital.

**Impacting Lives**

Kenny Brady, vice president of leadership development at women's clothing brand **LuLaRoe** says fundraising at his company comes in many forms, anything to help families. "Our company is headed into its eleventh year, and because our mission is 'To bless lives and strengthen families,' we've had a fundraising program from the start," he says. "And that has been something that really has touched lives even more deeply than bringing confidence through clothing, which of course is central to what we do."

The company allows its sales field, called Retailers, to establish fundraisers for local or even individual needs within their communities. "One thing our CEO, Mark Stidham, always says to our Retailers is, 'If it's close to your heart, it's close to ours.' So the fundraiser might be for a breast cancer foundation, or for a customer who is experiencing cancer, or raising money for kids to go to camp. Whatever the Retailer raises, the company will

match. So far in 2023, we've done over 400 fundraisers and raised more than \$150,000."

He adds, "Founder Deanne Stidham has always said, 'Service is the price you pay for the space you occupy,' and that's the foundation the company is built on—whether the space is at an event, in a home or even on the internet. It's about more than giving money; there's something about serving. Because time and effort are way more valuable, because it's always about the life that you're impacting."

The company has also created clothing collections for specific causes and donated a portion of the sales to organizations operating for those causes, including clothing lines that represented the fight against breast cancer or autism awareness.

Over the past 10 years, the life of the company, LuLaRoe has participated in 16,729 fundraisers and raised almost \$12.2 million.

**The Charitable Initiative that Founded a Business**

While it's common for direct selling companies to create a nonprofit organization to support its passion for charitable giving, Derek and Shelaine Maxfield founded direct selling company **Younique** with a singular mission—to support its partner nonprofit organization, Saprea.

Ana Paula Garcia, Younique's director of global communications

says, "Saprea, is a public charity dedicated to eradicating child sexual abuse and its effects. Younique donates 10% of its profits from product sales to Saprea, contributing to their mission of empowering survivors of child sexual abuse."

Prior to the pandemic, in 2019 Younique's support of Saprea helped create 40 support groups, sent 902 survivors to the Saprea Retreat, and provided 887 outpatient therapy sessions.

During its 2023 annual Convention, Younique hosted a benefit run aimed at supporting survivors of child sexual abuse and raising awareness about this issue. In a single week, the company and its Brand Ambassadors raised over \$82,000 with 1,000 participants.

Younique shares this initiative with its field through events, social media, its website, email, and direct communication with Brand Ambassadors and customers.

"Our aim is to empower survivors of child sexual abuse, facilitate healing, and contribute to prevention efforts," Garcia says. "We encourage our Brand Ambassadors/Brand Affiliates and customers to support Saprea by rounding up their orders during checkout, participating in recurring donations, and visiting the Saprea Facebook group/Facebook page for resources and ideas on incorporating Saprea into their businesses by donating, sharing information about Saprea within

**Giving Back**

**AdvoCare**

"The AdvoCare Foundation is committed to helping children and families in need to live healthy, happy and safe lives. Since 2015, the foundation has contributed over \$1 million to improving the safety and health of families and children throughout the United States. Their philanthropic efforts extend to various initiatives, including donations to local RISD schools (Richardson Independent School District - Richardson, Texas) during Teacher Appreciation Week, demonstrating their dedication to supporting educational institutions and educators.

"Recently, AdvoCare made a substantial contribution of \$150,000 to two local non-profit organizations in Hawaii. This generous donation was aimed at supporting emergency medical care, improving food accessibility, providing shelter and aiding in the rebuilding process after the devastating fire. We are proud of the commitment to bettering the lives of children and families across the nation and look forward to what AdvoCare can do in the years to come."

**Mary Kay**

"For 60 years, Mary Kay remains steadfast in its commitment to enrich women's lives around the world. From grassroots non-profit partnerships at our market level to our four global corporate foundations, hundreds of thousands of women's lives have been positively impacted as part of our philanthropic support," said Ryan Rogers, CEO, Mary Kay Inc., and Vice President of Mary Kay Ash Foundation Board of Directors. "In the United States, the Mary Kay Ash Foundation has donated \$92 million since inception to find cures for cancers affecting women and ending domestic violence. Giving back is in our Company DNA and we will continue to find meaningful ways to create a safer, healthier world for women everywhere."

**MONAT**

"Most recently, we've focused our efforts on a goal of donating \$1 million to specifically help narrow the achievement gap in underserved communities around the world through our Gratitude Grants program. These grants, totaling \$850,000 to date, allow eligible nonprofit organizations to create and execute transformational projects that support and nurture youth education, recreation, and culture.

"Since our founding, The MONAT Gratitude Foundation has given more than \$9 million. This tremendous impact wouldn't be possible without the help of thousands of Market Partners across the globe who share our dedication to making a difference every day. We are so grateful for the impacts we've been able to make together and look forward to continuing our efforts to create positive change in communities everywhere."

their networks, and re-sharing Saprea's posts on social media.

She adds, "We also participate in #GivingTuesday. Looking ahead to 2024, we are excited about the opportunities to make an even greater impact in our community."

**Evoking a Sense of Community**

Relatively new to the channel, **Red Aspen** was founded six years ago and since then has been introduced to many opportunities to give back to communities both locally and internationally. People Services, Philanthropy and Inclusion Council Manager Jazlyn Olmedo says, "This year we wanted to take a step back and start looking at how we can formalize a charitable giving program for the future that will be meaningful and evoke a sense of community, belonging, and fulfillment with our Brand Ambassadors.

"We continued our partnership with Boda Girls, a program based in rural Kenya, and contributed to 5,000 free rides given to women there and a 74% increase in safe hospital deliveries with the sponsorship of

Boda Girls. There was also a 2,008% increase in pregnancy ultrasounds to women there who did not have that access before." Specifically, in 2022 Red Aspen donated \$35,000 towards a new ultrasound machine and training for five additional Boda Girls as motorcycle drivers for the taxi service; and in 2023 gave \$10,000 to sponsor more Boda Girls.

"We also showcased our support by sponsoring and providing first-aid kits with fanny packs to their 4 cohorts and now 18 male allies," Olmedo says. "They've been able to use this in their everyday work as first responders there. This year we really tried to find opportunities where we can use our platform to make a difference in the lives of women. As our mission emphasizes, we care deeply about supporting and empowering women; knowing that our audience of 16,000 Brand Ambassadors are all women, each with their own unique experiences, we wanted to be sure that they felt seen, valued, and part of our philanthropic efforts."

To accomplish that, Red Aspen makes its 20 member Beauty Inclusion Council a significant part of its decision-making processes,

including that of charitable giving. Council members are selected from Brand Ambassadors through an application process to help ensure that all women feel well-represented at Red Aspen.

When the company reached \$100 million in lifetime sales achievement this year, it revisited its mission of inspiring women. Olmedo says, "It also happened to be Sexual Assault Awareness Month. To show our support for survivors of sexual assault and domestic violence, we used our platform to discuss the facts, remove the stigma, and provide resources to women who may be or have been in that difficult position.

"We were able to get our Beauty Inclusion Council involved, which this year encompassed 20 different Brand Ambassadors across the nation, by sending them kits and providing them with resources to visit their local women shelters and organizations."

The company also partnered with the Women & Children's Alliance in Boise, Idaho, which provides shelter and services to women and children healing from domestic abuse and sexual assault. Red Aspen made

a product donation, got involved with the organization's Denim Day initiative, and invited them to provide training and resources to its corporate team in Boise.

Olmedo says, "We also made a donation of \$10,000 to the National Domestic Violence Hotline, [a resource] that our Brand Ambassadors nationally could access in case they would ever be in need."

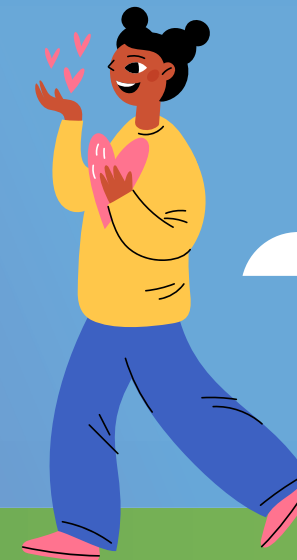
Over the next few years, Red Aspen plans to choose a specific cause to focus on, to create impact in areas that affect women.

These are just a few of the direct selling companies that do so much to help those in need, providing for consultants, customers, and communities in tangible ways that make an impact.



Jenna Lang Warford is a Social Selling News Contributor.

# Philanthropy in the Channel



AdvoCare  
AdvoCare Foundation



Green Compass  
Fairways for Warriors



Isagenix  
ISA Foundation



MONAT  
MONAT Gratitude Foundation



Plexus  
Nourish One®



Alovéa  
Buy 1, Nourish 1



Hanna Shea  
Every Quarter Counts



Melaleuca  
Melaleuca Foundation



Nature's Sunshine  
Impact Foundation



Rodan + Fields  
Prescription for Change Foundation



Amare Global  
Amare Caring Hands Foundation



Herbalife  
Herbalife Nutrition Foundation



Momentum Factor  
Casita Linda



The Pampered Chef  
American Cancer Society



Reliv  
Reliv Kalogris Foundation

THE

**RANKS THANKS**

## RECOGNIZING PHILANTHROPY IN THE CHANNEL

### LISTED IN ALPHABETICAL ORDER

Each month, *The Ranks* spotlights companies, people or trends that are important to the direct selling channel. This month, we present to you *The Thanks* to celebrate the charitable causes, foundations and philanthropy that direct sellers and their suppliers have supported in 2023. We would like to emphasize that, due to limited space, this list is just a sampling of the generosity found in our channel. For those companies not listed, we look forward to learning about your CSR efforts so that we may include them in future issues.

| COMPANY NAME  | ORGANIZATION OR CAUSE SUPPORTED       | DESCRIPTION   | WEBSITE/CONTACT                                 |
|---------------|---------------------------------------|---|---|
| AdvoCare      | AdvoCare Foundation                   | The foundation focuses on providing the support to help all children be happy, healthy, and safe.   | advocarefoundation.org                          |
| Alovea        | Buy 1, Nourish 1                      | Buy 1, Nourish 1 is a sustainable funding mechanism for meeting the needs of children. For every serving of product purchased from Alovea, a serving of HOPE Boost™ is provided to a child in need. To date, more than 50,000,000 servings have been provided to children in need.  | alovea.com/buy-1-nourish-1                      |
| Amare Global  | Amare Caring Hands Foundation         | The foundation focuses on supporting the mental well-being of vulnerable youth around the world through Amare Wellness Centers.   | amare.com/corporate/en-us/our-impact            |
| Amway         | Amway Volunteers                      | Amway Independent Business Owners and employees are invited to volunteer locally as part of a global initiative, #AmwayVolunteers.  | amway.com/en_US/corporate-social-responsibility |
| Arbonne       | Flourish Arbonne Foundation           | Through strategic non-profit partnerships, product donations, and the volunteer efforts of Arbonne Independent Consultants and employees, the Foundation helps youth flourish with a healthy mind and happy heart.  | arbonnefoundation.org                           |
| Color Street  | Color Street Foundation               | In partnership with our Stylist community, the Foundation creates meaningful charitable giving campaigns to benefit partner organizations. The foundation has supported campaigns for birth defects, substance use disorder, breast cancer and various child-centered adversities and to date has donated \$6.7 million to 76 charity partners. | colorstreet.com/home/givingback                 |
| doTERRA       | Healing Hands Foundation              | doTERRA Healing Hands empowers people worldwide to be healthy, safe and self-reliant.   | doterrahealinghands.org                         |
| Epicure       | Food Banks Canada and Feeding America | Epicure has teamed up with Food Banks Canada and Feeding America to help ensure no one in Canada or the US goes hungry. With every monthly subscription, Epicure donates seven meals to a family in need.   | epicure.com/en-us/giving-back                   |
| Green Compass | Fairways for Warriors                 | Green Compass helps Fairways for Warriors and America's combat-wounded veterans unlock a better quality of life so they too can get back to themselves, find the energy to stay active, surf or play soccer with their kids, regulate their mental states, and alleviate muscle pain from active-duty injuries.                                 | greencompassglobal.com/home/fairways            |
| Hanna Shea    | Wounded Warrior Project & One N Ten   | Through its Every Quarter Counts giving program, Hanna Shea also supports local schools by providing essential personal items and supplies for students in need.  | hannashea.com/giving-back                       |

**Fortify your Defense**  
with **FIELDWATCH**  
POWERED BY MOMENTUM FACTOR

## PROTECT YOUR CASTLE FROM ALL SIDES.

Regulators are marching and direct selling is coming under attack. Direct Sales companies can no longer ignore the regulatory challenges on the horizon. With the increased scrutiny of regulators, consumer advocates and industry foes, improper income and product claims are an existential threat to your business.

The FieldWatch™ platform is the answer – powering the compliance management efforts for the world's finest direct selling companies.

*"Having a monitoring program in place that is effective at finding claims, follow up and training is going to go a long way with us."*

*- Andrew Smith, Federal Trade Commission*

**CONTACT US TODAY FOR A DEMO!**

hi@momofactor.com

512.690.2134

**MOMENTUM FACTOR**  
WE PROTECT - WITH PASSION

## RECOGNIZING PHILANTHROPY IN THE CHANNEL

| COMPANY NAME      | ORGANIZATION OR CAUSE SUPPORTED   | DESCRIPTION   | WEBSITE/CONTACT                                 |
|-------------------|---|---|---|
| Herbalife         | Herbalife Nutrition Foundation  | The Herbalife Nutrition Foundation partners with charities and organizations to help provide the proper nutrition and education necessary for the wellness of children and communities.   | herbalifenutritionfoundation.org                |
| Juice Plus+       | Juice Plus+ Foundation  | Through the foundation Juice Plus+ supports St. Jude's Children's Research Hospital, Volunteers of America, Boys & Girls Clubs of America, Green Bronx Machine and Children's Hunger Fund.  | juiceplus.com/us/en/learn/our-story/giving-back |
| Kannaway          | Por Grace   | Por Grace, founded in 2016, is dedicated to improving the lives of individuals and families by educating and supporting families around the world on the responsible use and benefits of cannabinoids.  | kannaway.com/por-grace/porgrace                 |
| Longaberger       | Horizon of Hope, American Cancer Society, Habitat for Humanity, Women In Need | With every purchase Longaberger provides support to charities like Horizon of Hope, American Cancer Society, Habitat for Humanity, and Women In Need.   | longaberger.com                                 |
| Mary Kay          | Mary Kay Foundation   | The Mary Kay Ash Foundation, a 501(c)3 organization, raises and distributes funds to invest in breakthrough cancer research to find cures for cancers affecting women and end domestic violence against women.  | marykayfoundation.org                           |
| Melaleuca         | Melaleuca Foundation  | The Melaleuca Foundation was created as a charitable arm for Melaleuca to reach out and enhance the lives of those most in need. In addition to providing aid in times of natural disaster, Melaleuca has donated millions of dollars to support local and national nonprofit organizations including the American Red Cross, Salvation Army, United Way, Boy Scouts of America and more. | melaleuca.org                                   |
| Metrics Global    | Shriners Hospitals for Children & The Folded Flag Foundation                  | In addition to these philanthropic organizations, Metrics Global is also dedicated to providing significant time and support to Families for Effective Autism Treatment (F.E.A.T.) and Hope for Prisoners.  | metricsglobal.com/company                       |
| Momentum Factor   | Casita Linda  | Casita Linda's mission is to create a dignified, safe and empowering environment that provides a foundation of hope for families living in extreme poverty.   | casitalinda.org                                 |
| MONAT             | MONAT Gratitude Foundation  | The Foundation provides critical educational resources to support the arts, music, entrepreneurship, and athletics in local communities around the world. The MONAT Gratitude Foundation has invested more than \$600,000 USD through the MONAT Gratitude Grants program.   | monatgratitude.com/pages/grants-program         |
| Nature's Sunshine | Impact Foundation   | The Impact Foundation unites a community of loyal, like-minded individuals by increasing awareness of nature's healing power, creating meaningful service opportunities, and engaging with charitable organizations that align closely with our cause.  | myimpactfoundation.org                          |
| Neora             | Neora Ripple Foundation   | Built to inspire Brand Partners to take the initiative to make the world a better place, both individually and collectively.  | neorripple.org                                  |

## RECOGNIZING PHILANTHROPY IN THE CHANNEL

| COMPANY NAME   | ORGANIZATION OR CAUSE SUPPORTED         | DESCRIPTION   | WEBSITE/CONTACT  |
|----------------|---|---|--|
| Norwex         | Norwex Foundation for a Brighter Future | The Norwex Foundation for a Brighter Future has donated over \$2 million and helped more than 310 charitable organizations around the world.  | norwex.com/norwex-cares                                      |
| NuVita         | Girl Up                                 | Each month a portion of all proceeds benefits a different charity, organization, or cause. Specific focus is on putting an end to human trafficking.  | nuvitacbd.com/pages/giving-back                              |
| Plexus         | Nourish One® & Feeding America          | Plexus® began its Nourish One initiative in 2018, partnering with Feeding America® to help provide meals to Americans who experience food insecurity. To date, more than 39 million meals have been donated in all markets.   | plexusworldwide.com/nourish-one?culture=en-US                |
| Pure Romance   | Living With Change                      | Supporting transgender youth and their families   | livingwithchange.org   |
| Reliv          | Reliv Kalogris Foundation               | The Reliv Kalogris Foundation serves 267,000 shakes every month to individuals around the globe.  | reliv.com/give-back  |
| Rodan + Fields | Prescription for Change Foundation      | The mission of the foundation is to empower young people to succeed in school, work and life. In partnership with its nonprofit partners, the foundation provides educational assistance and leadership and career readiness training to young people in underserved communities in the countries where R+F operates. | rodanandfields.com/en-us/assets/investing-in-communities.pdf |
| Senegence      | The Make Sense Foundation               | Supporting women and children in need   | makesensefoundation.org                                      |
| USANA          | USANA Foundation                        | The USANA Foundation provides immediate and long-term global food relief for those in severe need. Since 2012, the foundation has provided over 80 million meals to those in need.  | usanafoundation.org  |
| Vasayo         | Hearts and Hands for Humanity           | Drilling clean-water wells for communities in Tanzania, Africa.   | heartsandhandsforhumanity.org                                |
| Verb           | Verb for Humanity                       | Committed to providing vital educational resources that promote solutions to social and environmental challenges.   | v4h@verb.tech  |
| Young Living   | Young Living Foundation                 | The foundation invests in programs around the world that nurture potential through education and small-business enterprise, rescue the harmed by working to end exploitation, and protect the earth through conservation efforts.   | younglivingfoundation.org                                    |
| Younique       | Saprea                                  | Younique was formed to support the mission of eliminating child sexual abuse through supporting the nonprofit Younique's sister/brother founders created, Saprea. Among its activities, Saprea funds support groups, survivor retreats and outpatient therapy.  | saprea.org   |

## Tupperware Receives Approval of Its Compliance Extension Request by NYSE

**Tupperware Brands Corp.** has received an extended reprieve to come into compliance with the New York Stock Exchange (NYSE). The company was sent a non-compliance notice from the NYSE in June, which cited its inability to trade above \$1 per share for 30 consecutive days. Tupperware reported on Oct. 3 that it had been granted a requested extension. Just one week after the company’s announcement, TUP stock was showing a positive performance. According to the filing: “On October 3, 2023, the Company received approval of its Extension Request from the NYSE’s Listings Operations Committee, subject to reassessment on an ongoing basis. In connection with the approval of the Extension Request, NYSE has stated that it is prepared to continue the listing of the Company at this time and will closely monitor the Company’s progress of the Delayed Filings with the milestones and timing outlined in the Extension Request. Failure to achieve these interim milestones could result in accelerated trading suspension prior to the end of a six month cure period on March 31, 2024.”

## LifeVantage Faces a Proxy Fight over Board Control

**LifeVantage** is in the middle of a proxy fight over board seats as shareholder value sees a continued drop over recent years. Revenues have fallen from \$230 million to \$206 million, per its 2022 annual report. It experienced its last 52-week high in early 2020, trading at over \$16.00 a share. However, company shares fell as low as \$3.34 in April 2023. Now, Bradley L. Radoff and Sudbury Capital Fund, who together own 12.8% of outstanding LifeVantage stock, filed a proxy statement seeking to nominate three directors to the company’s board, ahead of LifeVantage’s annual meeting scheduled for Nov. 6, 2023. The statement to shareholders claims the “potential for growth” has been hindered by Chairman Gary Mauro and some directors and that shareholder return over the past decade has declined over 70%. LifeVantage had its own statement to shareholders, urging rejection of the group’s “destructive and costly campaign.” The company stated that financial results have shown to be positive, and that the group is seeking 40% of the board seats though it owns less than 13% of shares.

## DSA Provides Opportunity for Direct Sellers and Policymakers to Meet in D.C.

Once again, the **Direct Selling Association (DSA)** has hosted its annual Legal & Regulatory Seminar in Washington, D.C. Running Sept. 20-22, current policymakers and regulators, former senior government officials, and leading legal experts gathered in person to gain insight on current legal, regulatory, and compliance trends as well as plan a path forward to manage current challenges. Topics included ongoing regulations, economic analysis of compensation structures, data privacy, and compliance trends. Nina Frant, vice president of consumer policy at the U.S. Chamber of Commerce and former advisor to FTC Commissioner Christine Wilson, contributed to discussions along with former FTC General Counsel Alden Abbott. The meeting ended with comments by Lois Greisman, FTC Associate Director, Division of Marketing Practices. The Legal & Regulatory Seminar occurred following the re-launch of the Congressional Direct Selling Caucus with new Democratic Co-Chair Rep. Darren Soto (D-Florida).

## In Memoriam: 4Life Research Co-Founder Bianca Lisonbee

**Bianca Lisonbee**, co-founder of **4Life Research**, passed away on Oct. 3, 2023, with her husband, David, as well as her children by her side. She had battled a rare and aggressive cancer. 4Life President and CEO Danny Lee confirmed her passing in a post stating, “I am deeply saddened to report that our beloved Bianca Lisonbee passed away earlier today.” Bianca and David had founded 4Life Research in 1998. And later, in 2006, Bianca launched Foundation 4Life, the charitable arm of the company, with a focus on serving children. Today the foundation continues to provide kids with food, clothing, school supplies, housing, and more. According to the 4Life post, Bianca “poured passion, vision, patience and love into an opportunity for a better life that inspires fellow visionaries around the world. ...[She] was sensitive, intelligent, funny, highly spiritual, and utterly committed to our collective success.” Bianca is survived by her husband, David, their five children and 13 grandchildren.

## DSSRC Recommends Zinzino Refrain from Making Certain Health Claims

The **Direct Selling Self-Regulatory Council (DSSRC)** of BBB National Programs recommended that **Zinzino LLC** salesforce members discontinue certain health-related product claims made on social media platforms. Zinzino is a direct selling company that sells nutritional supplements. According to DSSRC, the health-related product performance claims include: “CORONA VIRUS PROTECTION...providing a reassuring solution against viral infections” and “#WorldDiabetesDay #WorldDiabetesDay2022 #DiabetesAwareness #Diabetes #DiabetesAwarenessMonth,” among others. Zinzino did not provide supporting materials to substantiate the listed claims, and DSSRC requested the company promptly remove all social posts suggesting its products were a treatment for the named health-related conditions. Zinzino made efforts to take down some of the social media posts, but the others remain available to the public. DSSRC has followed up with further recommendations for Zinzino to remove the remaining posts, but Zinzino has yet to provide DSSRC with its intentions on resolving the matter. DSSRC will use its discretion in referring the matter if a response isn’t received in a timely manner.

## Partner.Co Announces the Opening of Its Product Testing Lab

**Partner.Co** has opened its Global Standard Laboratory (GSL), which will serve as the center of the company’s testing process. Plans are for the lab to handle numerous functions within research and development, performing tests to verify efficacy, determine nutritional and phytonutrient value and quantity, and inhibit contaminants. Expanding on its innovation, the company will gain added flexibility, providing researchers and scientists with the ability to collaborate with other global experts, according to Partner.Co Senior Director of Research Brett West. The lab’s enhanced capabilities will also contribute to improving product production. Learning new ideas and techniques from other scientists sets the company up to tweak its current products and develop new ones. This may include identifying more effective ingredients, better combinations of ingredients, as well as “novel” ingredients that offer a more efficient delivery of phytonutrients. The lab also opens the door to Partner.Co conducting clinical research and scientific studies on the effectiveness of its products.

## MEET OUR PARTNERS

Below is a listing of all of the suppliers who placed display advertising in this month’s issue. We are grateful for their participation and support in bringing news and information to the social selling channel.

|                      |           |                              |              |                       |           |
|----------------------|-----------|------------------------------|--------------|-----------------------|-----------|
| <b>EXIGO</b> .....   | <b>02</b> | <b>METRICS GLOBAL</b> .....  | <b>14</b>    | <b>JENKON</b> .....   | <b>31</b> |
| <b>TRINITY</b> ..... | <b>07</b> | <b>MOMENTUM FACTOR</b> ..... | <b>11,20</b> | <b>INFOTRAX</b> ..... | <b>32</b> |
| <b>VERB</b> .....    | <b>08</b> | <b>HANNA SHEA</b> .....      | <b>27</b>    |                       |           |

## Young Living Partnership to Bring Awareness to Modern Slavery

**Young Living Essential Oils** and its charitable arm the D. Gary Young, Young Living Foundation are helping to spread awareness about modern slavery and labor exploitation. As part of its efforts, Young Living joined Hope for Justice and became a member of the Slave-Free Alliance during the weeklong observance of Anti-Slavery Week, which ran Oct. 16–23. In addition to donating \$10,000 to Hope for Justice, the company is sharing its supply chain efforts to address, mitigate, and prevent risks of modern slavery and labor trafficking, so other businesses can learn how to safeguard their own supply chains from these forced labor conditions. There are approximately 49.6 million individuals currently trapped and forced through coercion and violence to work against their will, according to Hope for Justice. Young Living stated that its supply chain team is “committed to protecting the rights of those most vulnerable in the supply chain” and that “the sourcing and manufacturing of goods and services should never use child labor or conditions that restrict personal freedoms.”

## WFDSA Holds 2023 World Congress XVII in Dubai

The 2023 **WFDSA** World Congress XVII was hosted by the **Direct Selling Association of United Arab Emirates** with the theme “Reimagine the Future.” Held Oct.16-18 in Dubai, United Arab Emirates, the event drew an estimated 400 participants with industry executives, government officials, consumer advocates, academics, and stakeholders in attendance. This year’s WFDSA World Congress included extensive discussions, in-depth insights, and collaborative efforts to bring industry leaders together to guide the channel forward. WFDSA Chairman Roger Barnett shared his hope for the future stating, “The past two years have highlighted the compelling need for what our industry offers.” He brought attention to the resilience of direct selling companies and those participants in the business model, noting the steady increase in global retail sales that the channel has experienced over the past three years. 2022 sales reached \$173 billion, topping pre-pandemic numbers of \$168 billion in 2019 and 2020 sales of \$172 billion.

## EXp Launches Luxury Realty Program in Canada

As its first step toward global expansion, direct seller **eXp Realty**, a subsidiary of eXp World Holdings, Inc. has launched **eXp Luxury**, a luxury real estate program, in Canada. The new category provides eXp’s Canadian real estate agents with access to the brand’s proprietary platform and suite of tools to tap into the growing luxury market. EXp Luxury first launched in the United States in October 2022, growing to 700 members in under a year. The program in Canada includes advertising placement and brand partnerships, as well as certification courses and coaching, masterminds and events, and access to a council of experienced eXp Luxury Canadian agents who can provide guidance for individual luxury brands and coordinate with the leadership team in the ongoing growth of the program.

## People on the Move



**CLAIRE V. GROEN, HERBALIFE**

**Herbalife** has named **Claire V. Groen** as chief human resource officer. Groen has almost 28 years of experience in consumer goods and professional services and was previously a senior advisor with the Boston Consulting Group. Prior to that, she worked at **Amway** for more than 15 years, most recently as chief people officer.



**LORI BUSH, TUPPERWARE**

As part of a “board refreshment,” **Tupperware Brands Corp.** has appointed **Lori Bush** to its board of directors. Bush has spent over 40 years in consumer, professional health care and personal care, providing leadership. She most recently founded **Solvasa** in 2020, and before that was president and CEO of **Rodan & Fields**.



**SUSAN BROWN, HERBALIFE**

**Susan Brown** has joined **Herbalife** as vice president, head of global corporate communications. Brown has over 20 years of strategic, corporate and crisis communications experience. She was previously head of global corporate communications for Tyson Foods and Price Waterhouse Coopers (PWC).



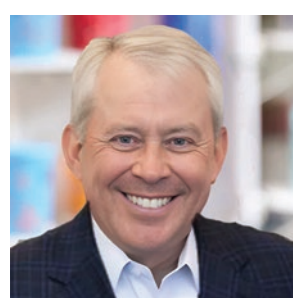
**PAUL KEGLEVIC, TUPPERWARE**

**Paul Keglevic** has joined **Tupperware Brands Corp.** as a member of its board. He is a seasoned board director with expertise in finance, transformation and operations and most recently served as CEO of Energy Future Holdings. Prior to that, he held leadership positions with various practices and was a partner at Price Waterhouse Coopers.



**TRACY TAN, PRIMERICA**

**Primerica Inc.** has appointed **Tracy Tan** as executive vice president, finance. Tan will become chief financial officer once the current CFO relinquishes that title, no later than April 1, 2024. Tan has spent more than 20 years in finance leadership. She comes to Primerica from Strategic Link Consulting, where she was CFO.



**WILLIAM TRANSIER, TUPPERWARE**

**Tupperware Brands Corp.** has added **Bill Transier** to its board of directors. Transier has over 40 years of experience as an executive and board leader with financial and transformation expertise. He is currently founder and CEO of Transier Advisors. Previously, he served in the C-suite of Endeavour International Corp. and Ocean Energy.



**LAURIE ANN GOLDMAN, TUPPERWARE**

**Tupperware Brands Corp.** has appointed **Laurie Ann Goldman** as president and CEO as well as a director of Tupperware’s board of directors. Goldman replaces Miguel Fernandez. She has over 30 years of leadership and brand-building experience. Goldman has been CEO of OVME Aesthetics as well as led **The Avon Co.** and Spanx.



**JULIE CABINAW, THERMOMIX**

**Thermomix** has hired **Julie Cabinaw** as head of marketing for the U.S. Cabinaw brings experience in food and beverage, direct sales, marketing and technology, previously serving in a similar capacity at **Tastefully Simple**. Now she leads brand, customer, field, and digital marketing as well as culinary and recipe development.

## People on the Move



**SKYLEUR STEFFENSEN, AMARE GLOBAL**

**Amare Global** has promoted **Skyleur Steffensen** to general manager of the U.S. Before this, Steffensen served as senior director of U.S. sales. He has more than 17 years of leadership experience in direct selling with companies such as **Kyani**, **Melaleuca**, and **Well & Co.** He will oversee growth and expansion in the U.S.



**JENNIFER BAILEY, ZURVITA**

**Zurvita** has promoted **Jennifer Bailey** to chief financial officer. Bailey previously served as vice president of finance and has been with Zurvita since its founding in 2008. In her new role, she will be responsible for financial operations, including reporting, analytics, audit, treasury, and all-around corporate financial efficiency.



**YIRU ZHOU, AMARE GLOBAL**

**Amare Global** has named **Yiru Zhou** regional vice president of Asia. Zhou has a deep understanding of Asia with leadership that has been instrumental in the region for previous direct selling brands he has worked with. Fluent in both Mandarin and Japanese, he has spent time at **Kyani**, **Jeunesse**, **USANA**, and others.



**VIVEK KATOCH, IDSA**

**Vivek Katoch**, director of corporate affairs at **Oriflame**, has been elected as the new chairman of the **Indian Direct Selling Association (IDSA)**. Katoch is taking on the role for the second time. In addition, he represents the Indian direct selling industry as a member delegate on the Board of the **WFDSA**.

**GET IT RIGHT  
THE FIRST TIME**



Your most valued executive search partner for the direct sale industry

info@hannashea.com • www.hannashea.com



**RALLYWARE**

1-877-858-8857  
sales@rallyware.com  
650 Castro St, Suite 120-376,  
Mountain View, CA 94041

Rallyware mobile and web apps enable direct selling companies to onboard, train, and engage distributors by delivering personalized activities based on their individual performance data. Global industry leaders use Rallyware realizing 23X ROI on average.



**BLOO KANOO**

20280 SW Acacia St.,  
Suite 100,  
Newport Beach, CA 92660  
(866) 943-2869  
www.blookanoo.com

Bloo Kanoo is the first company to enable distributors around the world to conduct shoppable videoconferences, host shoppable livestreams and play shoppable videos directly on their own distributor sites. Bloo Kanoo's mission is to humanize the internet by eliminating the line between digital and personal selling.

**DIRECT SALES EXPERTS  
EXECUTIVE SEARCH**

8305 Via Vittoria Way  
Orlando, FL 32819  
(407) 489-3351  
directsalesexperts.com,  
craig@directsalesexperts.com



At Direct Sales Experts we have spent a lifetime (46 years) building relationships with the channel's strongest leaders. Utilizing our global network of 50,000 contacts, our focus is to identify, interview, qualify and deliver to you high performing proven leaders to help grow your business.



**XIRECT**

686 E 110 S Suite 104  
American Fork, UT 84003  
385-448-1800  
https://www.xirect.com

Xirect helps companies reclaim control by providing flexible, reliable, and affordable software solutions so you can: Stop feeling forced to compromise quality, accuracy, and speed, Build trust with your field, reduce frustration, enhance productivity.



**I-PAYOUT**

540 NE 4th Street  
Fort Lauderdale, FL  
www.i-payout.com  
discover@i-payout.com  
866-317-8772

Since 2007 i-payout has been the leading payment choice for pay out and pay in solutions. We pride ourselves on exceptional service paired with integrated and customized solutions.



**MOMENTUM FACTOR**

4801 Spicewood Springs Ste. 250  
Austin, TX 78759  
(512) 690-2134  
www.momofactor.com

The leading global compliance monitoring, reputation management, and brand protection firm for direct sellers who want to lower costs, reduce risks and outperform their competitors.

**THATCHER  
TECHNOLOGY GROUP**

55 Shuman Blvd. Suite 350  
Naperville, IL 60563  
866.698.3848  
www.thatchertech.com



We provide direct selling's most configurable technology platform designed for social selling, network marketing, and party plan companies of every size.



**INFO TRAX**

1875 S State Street #3000 Orem,  
UT 84097  
(801) 431-4900  
info@infotraxsys.com

InfoTrax Systems is a trusted global name in MLM software with over 30 years of commissions and network marketing expertise. We've created the first and only comprehensive platform software solution, FlexCloud.



**VERB**

801-367-8032  
mjo@verb.tech  
782 S. Auto Mall Dr. Ste A  
American Fork, UT 84043  
www.verb.tech

The industry leader in cutting edge digital and physical sales and marketing solutions. Our digital prospecting and training platform provides Sampling, Training/ Education, and our new Mobile LMS. Call for a FREE demo.



**JENKON**

201 NE Park Plaza Dr.  
Suite 218  
Vancouver, WA 98684  
(360) 256-4400  
www.jenkon.com  
solutions@jenkon.com

Innovation and stability are central to 5 decades of unprecedented, multinational success. JoT™, the Jenkon of Things, is a suite of digital commerce and sales performance technologies delivering state of the art user experiences. The newest solution: JoTLive Shopping integrates with any enterprise.

**FLIGHT COMMERCE, INC.**

1208 E. Kennedy Blvd., Suite 222  
Tampa, FL 33602  
(813) 277-0625  
www.flightcommerce.com,  
info@flightcommerce.com



Flight is the all-in-one software solution for direct, social & influencer selling, party plans & Affiliate marketing. Our commerce engine, consultant & custom portals, websites & headless commerce engine give your field ultimate control.



**PENNY AI**

375 Water St, Unit 250,  
Vancouver, BC V6B 1B8  
www.getpenny.com

Penny AI is the data-driven, enterprise platform built for social sales enablement, learning, and strategic insights.



**EXIGO**

1600 Viceroy Dr, Suite 125  
Dallas TX 75235  
(214) 367-9933  
www.exigo.com  
sales@exigo.com

We give you everything you need to operate a full-scale and premier direct sales company. We offer a flexible and scalable platform to give you a turnkey solution requiring little or no technical expertise.



**NEXIO**

1-866-80-NEXIO  
(1-866-806-3946)  
sales@nex.io  
727 N 1550 E 3rd Floor  
Orem, UT 84097

Nexio is a purpose-built commerce platform for direct sales. Nexio's technology and services empower distributors to simplify payment complexity, optimize payment revenue, and scale to meet their needs now and in the future.

**Ask Us How to  
Feature Your  
Company Here!**

Print and Digital Resource Directory  
Ads Starting at \$2,200/12 months.

Contact joyce@socialsellingnews.com



**We get used. A lot.**  
*(And we like it.)*

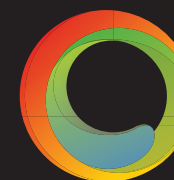
Our readers love us for our hard-hitting business news and articles. That means they're more likely to see your ad. Advertise today and get in front of direct selling's decision makers.

contact@socialsellingnews.com



**Jenkon • Proud Platinum Sponsor**

جينكون - الراعي البلاتيني الفخور للمؤتمر العالمي 2023  
 of the 2023 World Congress



**WFD SA 2023** دبي  
 World Congress DUBAI

www.wfdsa2023dubai.com



**jenkon** | innovation

www.jenkon.com





 InfoTrax +  BIGCOMMERCE

## READY TO WIN BLACK FRIDAY?

Configuring promotions and driving multi-channel sales efforts is a breeze with the BigCommerce shopping cart integration through InfoTrax.

**You bring the crowd, we'll manage your cart (and commissions!).**

Let's get you set up before the holiday shopping hits!



**Request a Demo**