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Bankruptcy and Asset Sale of NewAge Inc. Fraught with Allegations of Deception, Extortion, and Fraud



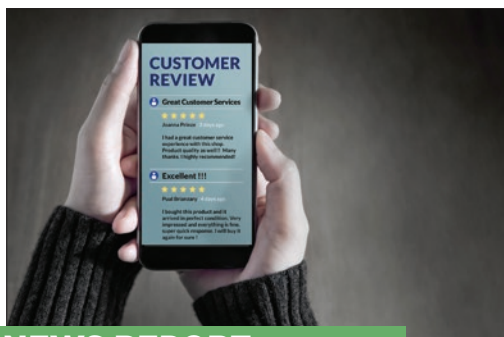
New owner files lawsuit against former company executives; SEC charges former CEO

NewAge, a Utah-based health and wellness direct seller, has endured a turbulent year as bankruptcy filings, lawsuits and regulatory scrutiny have plagued the company over the past several months.

The company was recently sold to a “stalking horse” bidder for \$28 million. The U.S. bankruptcy court approved the sale in late September 2022. However, just days after taking

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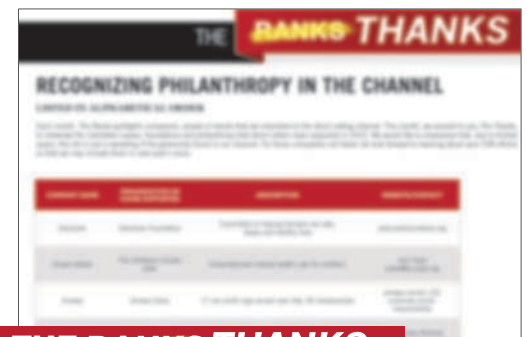


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— PUBLISHER'S NOTE ►►

SSN's 2nd Philanthropy Issue

Recognizing the generosity and goodwill of the direct selling channel

Hello friends and Happy Thanksgiving!

I am very happy to share with you our second annual Philanthropy Issue. This is my favorite issue of the year, as we get the privilege of speaking to so many of you—both direct sellers and suppliers—about the life-changing projects, donations, volunteering, and foundation work all over the world that you and your teams have accomplished over the past year.

In times of economic uncertainty, volatility or recession, there is one thing that remains constant—and that is your commitment and dedication to giving back. Whether it be the humanitarian disaster in war-torn Ukraine, the constant fight against hunger and malnutrition or environmental and conservation efforts, the causes supported by the direct selling channel are as diverse as the companies working all year long to make a difference.

I invite you to check out our “Thanks” *Ranks* this month, as we highlight the many causes

and foundations supported by the generosity of this channel. I am also excited about our *special* Special Report this month, where you can read about the stories and motivations behind direct selling's inspiring philanthropy work and the executives who have set this positive change into motion. And don't forget to check out our *Optics* feature to see all the smiles that are made possible by your good work.

I am proud to tell you that *SSN* will once again be donating a portion of the proceeds from this issue to the National Center for Families Learning (NCFL). Operating with educators, literacy advocates and policymakers, the NCFL works toward an end to poverty by helping families find education solutions. For more than three decades, this organization has helped families in 39 states and more than 150 communities.

We believe strongly in the power of literacy and are extremely grateful to the *SSN* partners who made this donation possible. I encourage

you to check out this amazing organization at familieslearning.org.

Finally, I would like to again thank our incredibly talented and hard-working staff—our editors, artists, and writers. I am truly thankful for each of you and for the gifts that you bring to this endeavor.

Thank you for reading *SSN*, and thank you for giving back!

With gratitude,



DAVID BLAND

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ownership, the new owner of NewAge hit former executives of the company with a lawsuit outlining a myriad of grievances.

The new owner, DIP Financing LLC, whose only known representative is John Wadsworth, provided the sole bid to purchase NewAge at a price grossly insufficient to allow for any sort of recovery for equity holders or creditor claims.

NewAge said it had \$310.9 million of assets and \$149.4 million of debts as of the end of 2021. Wadsworth is the co-founder of direct selling companies Morinda, Noni and Zennoa—all of which are brands acquired by NewAge previously.

New Ownership Files Lawsuit

The lawsuit, filed on Oct. 7, 2022, names former NewAge executives, Frederick Cooper, Mark Wilson and Brent Willis, along with another company named KwikClick, as defendants.

In the lawsuit, NewAge states it intends to stop the defendants’ “brazen scheme either to seize control of NewAge and its business or to undermine NewAge’s

relationships with its business partners so seriously as to destroy the company’s value.”

Cooper was serving as a member of the board of directors for NewAge and is also the founder of ARIIX, a direct selling company acquired by NewAge in 2020. Wilson was the president of ARIIX who became a group president for NewAge after its acquisition of ARIIX. Willis is the former CEO of NewAge who resigned in January 2022, and while no official reason was given from the company at the time, his resignation followed a decline in NewAge’s share price of 81% over the previous year.

KwikClick, founded in 1993 by Cooper, is a social interaction, selling and referral software platform. The lawsuit claims that the defendants used ARIIX’s intellectual property, resources and personnel to benefit KwikClick, thus violating various non-compete and restrictive covenants entered into by Cooper, ARIIX, and NewAge.

The lawsuit also claims that the defendants misrepresented themselves in connection with the acquisition of ARIIX by NewAge. It states that the defendants

“We had an ironclad contract and asset purchase agreement with a promissory note secured by UCC filings.”
— Gary Raser, Founder, Limu

fraudulently induced NewAge to enter a license agreement with KwikClick under which NewAge was required to pay exorbitant licensing fees for use of the same software that NewAge already bought in the ARIIX acquisition and paid to further develop even after the acquisition.

According to the lawsuit, the defendants failed to take all steps necessary to protect ARIIX’s assets, including its intellectual property, and had already given a complete copy of ARIIX’s proprietary software to its former employee, Wenhan Zhang, to use at KwikClick, failing to disclose known potential liabilities including the existence of potential Foreign Corrupt Practices Act (FCPA) violations. According to the lawsuit, NewAge was unaware of these misrepresentations.

These allegations are not the first for Cooper. Prior to being acquired by NewAge, ARIIX purchased the direct selling company Limu in 2019. Limu, one of the many brands for sale on the NewAge website, offers seaweed-based products and energy drinks. Limu was founded by Gary Raser, a veteran in direct selling who rose to a top field rank for another company before founding Limu in 2004.

ARIIX had originally approached Raser in 2018, and he declined to sell, but by January of 2019 he decided he wanted to retire and he called them back. According to

Raser, he inked what he thought was a solid agreement with ARIIX in June 2019.

“We had an ironclad contract and asset purchase agreement with a promissory note secured by UCC filings,” Raser tells SSN. “It was ironclad on both sides—what I had to deliver, what they had to deliver. And I held back millions of dollars to be reduced each month with a payment plan from them. And then within a year of me selling to them, they sold to NewAge.”

According to Raser, his contract very clearly states that ARIIX could not sell or transfer any of the assets of Limu to any other entity, whether by selling it outright or selling ARIIX to anyone else.

However, in July 2020, NewAge issued a press release stating it had combined forces with ARIIX and four other e-commerce/direct selling companies to create a \$500 million global enterprise.

Along with Limu, the other companies included in the announcement were Zennoa, which offers superfood-based dietary supplements; MaVie, which offers nutritional products customized to individuals’ DNA makeup and; Shannen, an Indonesian skincare and beauty company.

CEO Brent Willis was quoted in the release saying, “We will have the team, the scale, the profitability, the brands, and the reach to

drive superior growth and return for shareholders and all of our valued independent representatives and consultants worldwide.”

Willis went on to say, “We believe we are well positioned in this new business environment with more than 80% of products ordered and fulfilled online and delivered direct to consumers’ homes across now more than 75 countries, and expect to continue to be a disruptive force creating the first omni-channel company in the industry.”

According to a July 2020 S&P Global Market Intelligence report, NewAge paid \$25 million in cash and issued 18 million shares with a par value of \$0.001 per share at closing of the transaction. It also issued a convertible note for \$10 million that matured six months from closing and a convertible note for \$141.25 million that matured 24 months from closing.

“They did it anyway,” says Raser. “I got all the lawyers involved, and they came back and said that they had filed a new LLC and put the assets of Limu in that LLC to try to avoid paying me.”

According to Raser, once ARIIX purchased Limu in 2019, company executives started traveling around the country and presenting to both ARIIX and Limu distributors encouraging them to get their finances in order and ready to purchase stocks because ARIIX was going to be purchasing a public company soon.

Raser says that once the announcement was made in July 2020 about the merger of ARIIX and NewAge, both Cooper and Wilson along with the NewAge CEO, Willis, started traveling around the country making presentations to thousands of distributors within all the companies included in the acquisition, encouraging them to buy stock in NewAge.

Then, Raser alleges that sometime in the last quarter of 2021, Willis

sold his shares in the company and shortly thereafter, in early 2022 after Willis resigned, NewAge ceased paying him his contracted buyout payments.

Social Selling News reached out to both Brent Willis and Fred Cooper for comment but has not received a response as of this publishing.

SEC Charges Former CEO with Fraud

The troubles for NewAge started long before the bankruptcy or recent lawsuit from the new owner. The company has failed to submit some of its regulatory filings over the past year. NewAge received delinquency notices from the Securities and Exchange Commission (SEC) in April 2022 and again in May 2022 due to the delay in the filing of its annual report. It received another notice in August 2022 due to its failure to file its quarterly report for the quarter that ended June 30, 2022.

Then on Oct. 18, 2022, the SEC issued a statement charging former NewAge CEO, Brent Willis, with orchestrating multi-year fraud.

The SEC’s complaint, filed in the U.S. District Court in Colorado, alleges that between 2017 and 2019 Willis engaged in fraud by disseminating numerous false and misleading press releases and making false public statements concerning NewAge’s business dealings.

According to the complaint, he also aided and abetted NewAge’s disclosure of material information in violation of Regulation FD, which addresses the selective disclosure of information by publicly traded companies and other issuers.

The complaint goes on to say that these false and misleading public statements concerned a wide range of matters that were critical to the company’s growth and success, and thus to NewAge’s investors, including purported new and expanded product distribution deals with



large domestic and international beverage distributors and retailers. In reality, these distribution deals either did not exist or were significantly smaller than claimed in the public statements.

The SEC’s complaint charges Willis with violating the antifraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, as well as aiding and abetting violations of Regulation FD and Section 13(a) of the Exchange Act.

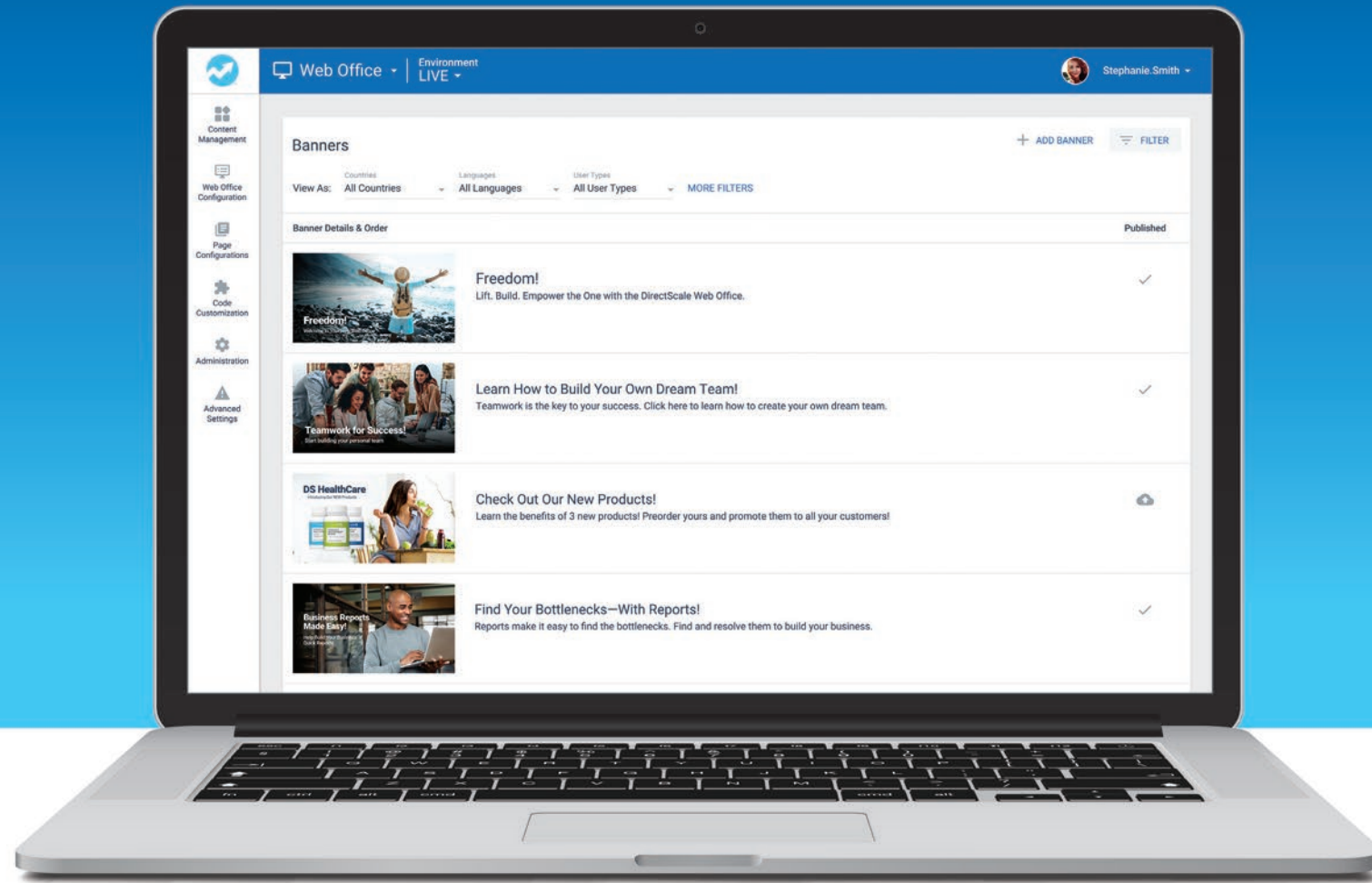
The SEC is seeking permanent injunctions, disgorgement with prejudgment interest, civil penalties, and officer-and-director and penny stock bars against Willis.

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Stephanie Ramirez is a *Social Selling News* Contributor.

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— NEWS FEATURE ►►

FTC Sets Stage for New Rule on Fake Reviews and Deceptive Endorsements

ANPR seeks public comment on potential new rule

By David Bland

On Oct. 20, the Federal Trade Commission (FTC) released an Advanced Notice of Proposed Rulemaking (ANPR) to seek public comment on the benefits of a new rule to combat the harms from deceptive or unfair product reviews and endorsements. The ANPR represents the Commission's first official step in evaluating the need for and the shaping of a new rule.

Continuing its push to create additional enforcement mechanisms after the Supreme Court took away the FTC's ability to obtain equitable monetary relief under Section 13(b) of the FTC Act, Chairwoman Lina Khan sees the rulemaking process as an essential tool for combatting industry-wide violations across many types of businesses, including the direct selling channel.

While the FTC stated that it values its ability to assess civil penalties under Section 5's Penalty Offense Authority, it recognizes that such penalties cannot be assessed to first time violators and, furthermore, are not able to return money to consumers as redress.

Thus, in addition to sending several Notices of Penalty Offense to hundreds of companies over the past few years, including Notices on fake reviews, the Democrat-led Commission has resurrected Section 18 rulemaking as the best available option for imposing



civil penalties against first-time violators and returning money to harmed consumers.

The ANPR on Deceptive Reviews and Endorsements comes on the heels of two recent enforcement actions by the Commission against companies that were misleading consumers with deceptive review practices.

In January 2022, the online fashion retailer Fashion Nova was required to pay \$4.2 million to settle the FTC's allegations that it was blocking negative reviews of its products from its website. The Commission's complaint alleged

that the retailer used a third-party online product review management interface to set aside one- to three-star negative reviews for company approval, which was never done. Hundreds of thousands of negative reviews were withheld from view between late-2015 and late-2019.

In August 2022, the FTC joined six states to file a lawsuit against Roomster Corp., an online rental listing platform that allegedly paid for tens of thousands of fake reviews. Samuel Levine, Director of the FTC's Bureau of Consumer Protection, said, "Along with our state partners, we aim to hold Roomster and its top executives

accountable and return money to hardworking renters."

Despite these decisive actions, the Commission's statement about the ANPR on fake reviews makes clear that it believes a new rule, and the first-time offense civil penalty threat it would create, is needed to truly deter bad actors from continuing this type of deception.

"Case-by-case enforcement without civil penalty authority may not be enough to stem the growth of deceptive reviews and endorsements. The Supreme Court's decision in the *AMG Capital Management LLC v. FTC* has hindered the FTC's ability to seek monetary relief for consumers under the FTC Act. A potential rule that clearly spells out prohibited practices may strengthen deterrence by allowing the agency to impose civil penalties, while simplifying FTC enforcement," the agency stated.

Practices Targeted by Potential Rule

The ANPR seeks public comment about how, if at all, it should use its Section 18 authority to address specific "inarguably deceptive" or unfair practices involving reviews or other endorsements. These practices include:

- **Fake reviews** — Reviews created by fake customers or

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– Andrew Smith, Federal Trade Commission

NEWS FEATURE ▶▶

FTC SETS STAGE, CONTINUED FROM 9

product endorsers who did not actually use the product or service.

- **Review hijacking** – A review that is stolen or repurposed from another product review.
- **Paid reviews** – A review given in exchange for compensation or other incentives.
- **Insider reviews** – A review given by the owners, officers, or managers of a company, or their family members who fail to disclose their relationship to the company.
- **Fake independent review websites** – Websites or organizations marketed as independent review entities that are owned by the companies offering the products or services.
- **Negative review suppression** – Misleading consumers to believe that all reviews displayed represent most or all of the reviews submitted when negative reviews are being suppressed.

“Case-by-case enforcement without civil penalty authority may not be enough to stem the growth of deceptive reviews and endorsements.”
– Federal Trade Commission

- **Review suppression via threat** – The suppression of negative reviews using physical threats or unjustified legal threats.
- **Buying or selling followers** – The selling, distributing, or buying of subscribers, views, followers, or other social media influencers.

The Commissioners voted 3-1 to publish the fake review ANPR in the Federal Register. Republican Christine Wilson was the lone “no” vote. She issued a dissenting statement in which she recognized the limitations of the FTC’s remedial

authority after the AMG decision as well as the continuation of deceptive review practices despite additional tools that were recently authorized by the Commission to combat them.

However, while lauding the ANPR’s narrow focus on review and endorsement practices likely to be clear violations, Commissioner Wilson expressed her frustration that the Agency has turned its attention away from the Notices of Penalty Offense for deceptive reviews and endorsements that were sent to hundreds of companies in October 2021 after the Commission had invested substantial time and money in their issuance.

“While the ANPR now downplays their likely impact, the agency invested non-trivial resources in drafting the Notice of Penalty Offenses, identifying potential recipients, and serving it on more than 700 entities. Rather than churning out another proposed rule, perhaps we should stay the course on these initiatives and devote the incremental resources to enforcement in other critical areas,” Wilson argued.

Wilson also noted that the division responsible for the enforcement of the Opioid Addiction Recovery Fraud Prevention Act would also be tasked with, and burdened by, the enforcement of a new rule on product reviews.

Chairwoman Khan issued a separate statement emphasizing the importance of using “all authorities in order to prohibit unfair or deceptive practices—and to help consumers who have been harmed by them.”

Khan also expressed her view that reviews are an essential component of online shopping, where the consumer is not able to see or touch the product as in brick-and-mortar stores. In addition to consumer harm, Khan also believes that fake reviews represent anti-competitive business practice.

“These practices don’t only harm the consumers who place their trust in fake reviews. They also pollute the marketplace and put honest businesses at a competitive disadvantage,” stated the Chairwoman.

The public will have 60 days to comment after the notice is published in the Federal Register and can do so at the www.regulations.gov website.

“These practices don’t only harm the consumers who place their trust in fake reviews. They also pollute the marketplace and put honest businesses at a competitive disadvantage.”
– Lina Khan, Chairwoman, FTC

SSN



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

DSSRC Refers 5 Direct Sellers for Government Action

Unresolved income and health claims lead to FTC referrals

By SSN Staff

The Direct Selling Self-Regulatory Council (DSSRC), in its fourth year of operation, is concluding another productive and busy year monitoring the U.S. direct selling channel.

Founded by the Direct Selling Association (DSA) and administered by BBB National Programs, the DSSRC serves as an independent non-profit organization tasked with providing mechanisms for the oversight and self-regulation of direct selling companies across the country.

While the DSSRC prides itself on working with companies to resolve the majority of problematic issues it finds, the council has so far this year escalated five cases to the Federal Trade Commission (FTC) after the requested actions were not taken or ignored.

BE Rules

BE Rules, also known as BE Factor and formerly known as Melius, is a cryptocurrency and foreign exchange network marketing company based in Dubai, United Arab Emirates.

The DSSRC reports that Melius offered several trading package subscriptions from 2018 to 2020 prior to the company being rebranded as BE Factor around June 2020.

A DSSRC inquiry was initiated in November 2021 concerning income claims made by the company and its representatives. The council made attempts to notify BE Rules that it

was concerned by the company's earnings claims, including promises of "financial freedom," "easy profits" and "you will be rich." The council also noted that the company website falsely implied that it is a member of the DSA.

After receiving no replies to the DSSRC's multiple email Notices of Inquiry, BE Rules was referred to the FTC and the case was closed in January 2022. However, the DSSRC tells *SSN* that the FTC subsequently referred the case back to the council, at which time BE Rules was able to satisfactorily resolve its issues with the DSSRC.

FutureNet

Founded in 2014 and headquartered in Poland, FutureNet Inc. is a multilevel-marketing company offering online platforms and networking services including travel discounts, skills training, and cryptocurrency programs.

The DSSRC initiated earnings claims inquiries in January 2022 in response to salesforce members disseminating deceptive earnings claims, including images of bank account balances over \$300,000 and a monthly payout of \$50,000. Company representatives made social media posts promising "full-time income on part-time effort" and "astronomical income levels."

FutureNet Inc. failed to respond to the council's inquiry and was referred to the FTC in March 2022.



Vyvo

Located in Santa Clara, California, Vyvo Inc. is a network marketing company that markets DNA and genetic testing, nutritional supplements, as well as a smart watch. The DSSRC commenced an inquiry after the company and its representatives made "aggressive" earnings claims, including life-changing income, passive income and financial freedom.

The council reports that, similar to several of the other companies being referred to the U.S. government, little contact information for Vyvo was provided on the company's website.

A Notice of Inquiry was mailed to Vyvo in June 2022. Copies of correspondence were also emailed

to the company. After failing to respond to the DSSRC inquiries, Vyvo was referred to the FTC and the case was closed in August 2022.

Fifth Avenue Collection

Fifth Avenue Collection Inc. is a fashion jewelry direct seller that is headquartered in Saskatchewan, Canada. The company caught the attention of the DSSRC after salesforce members posted earnings claims on social media, including posts promising up to \$800 per month in income and that every day could be a payday.

The council sent email and hard copy Notices of Inquiry to the training and marketing development director at the company's Georgia offices in June 2022 and



followed up with another Notice to the company president on Sept. 7, 2022. After receiving no response from Fifth Avenue Collection, the DSSRC referred them to the FTC and closed the case on Sept. 29, 2022.

Root Wellness

In its most recent government referral, the DSSRC highlighted misleading product health claims made by Tennessee-based health and wellness direct seller Root Wellness LLC.

The council first initiated an inquiry in February 2021 in regards to claims made by Root Wellness and its salesforce members suggesting that Root Wellness products could treat serious health-related conditions such as psoriasis, fibromyalgia, and rheumatoid arthritis.

The DSSRC reports that Root Wellness provided several published studies in an attempt to back up its claims. However, the Council concluded that the articles did not provide the necessary evidence to support the claims. At that time, Root Wellness issued a company statement declaring that it had removed problematic pages from its website and was working to educate representatives about compliance.

On March 18, 2022, the council conducted a compliance inquiry with Root Wellness and was told that all of the social media posts in question were removed. However, the DSSRC established that at least four such social media posts were still publicly accessible at that time. The council subsequently reported that 24 of the

29 social media posts highlighted in the 2021 and 2022 inquiries remain publicly accessible.

Further complicating the matter, the DSSRC became aware of several press releases Root Wellness issued from a distribution service stating that the company received high-trust ratings from several independent trade organizations. The DSA and BBB logos were also used in the press releases despite the fact that Root Wellness is not an accredited business with the BBB nor a member of the DSA.

The DSSRC referred Root Wellness to the FTC in October 2022.

Peter Marinello, Vice President of the DSSRC, BBB National Programs, tells *SSN*: "Government referrals are a pivotal component of the independent, industry self-regulatory process.

"The Direct Selling Self-Regulatory Council calls on government agencies in receipt of these referrals, such as the Federal Trade Commission, to exercise their enforcement authority.

"In doing so, these agencies send a strong message to direct selling companies that failure to address false and deceptive earnings and product claims disseminated by the company or its salesforce members will result in significant consequences."



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How to Sell Premium Products at a Premium Price

If we can learn anything from Versace, Ferrari, or Jimmy Choo, it's that price is irrelevant – the only thing that matters is perceived value to get the sale. This week an article came up in my LinkedIn feed about high fashion brand Balenciaga introducing a new line of purses that look just like a bag of Lay's potato chips for the low price of \$1,500! Now, if I suggested to my wife that she replace her handbag with a Cheetos container that I graciously emptied for her, I would likely need new sleeping accommodations for a night or two. But the Balenciaga brand has cachet, so their buyers don't even blink at the price tag. For years, they have exhausted considerable effort crafting and preserving their prestige. The good news is that there are simple ways to accelerate the process of creating perceived value.

A challenge in the direct selling space is that our products cost too much. To be fair, many products sold by direct sales organizations are priced significantly higher than perceived similar products found on store shelves. However, premium products come at a premium price, and that is not a bad thing. With the right approach and the right tools, higher price points won't stand in the way of getting the sale. In this article, we will explore how livestream shopping and concierge commerce empower your field to close the value gap and turn reluctant prospects into satisfied customers.

Luxury brands have a playbook for propping up perceived value with a focus on increasing desirability and exclusivity. Four popular tactics are: pairing products with celebrities, exclusive sales channels, turning customers into walking billboards, and a focus on unmatched customer service.

The good news is these same tactics are already employed by direct selling

companies, with a few important differences that make selling at a premium easier for us.

In direct selling, we don't invest in celebrity endorsements for "macro-influencers" like George Clooney or Charlize Theron because we don't have to. We have an army of highly coveted, micro-influencers that may not be well-known worldwide, but they are intimately known by their customers and often have deep, emotional connections to the products and opportunities provided by direct selling. This passion and proximity to the customer is the first shortcut to proper value positioning. Brand advocates connect with customers on a personal and deep level. In-person meetings are at the core of direct selling. New technologies like live video and concierge commerce make it possible to extend personalized brand experiences anywhere in the world at any time. Scheduled livestreams and impromptu one-on-one customer interactions leverage these relationships online as they do in the real world, but to greater effect.

Direct selling companies make sure that the products are sold exclusively through active sales reps, not licensing deals and mass-

Whether through scheduled livestreams, or impromptu one-on-one customer interactions, direct sellers can leverage their relationships online as they do in the real world, but to greater effect.

RYAN KELL
Founder and CTO
Bloo Kanoo



market retailers. We have a worldwide club of sellers who care for our brands as if they were their own. Luxury brands are careful in selecting partners they know will create value for their customers because premium product purchases are driven as much by emotion as logic. Direct selling's best strategies extend personalized resources and combine them with technologies that simplify the buying process. Video conferencing solutions like Zoom and livestreams are good, but with a few small enhancements those same interactions can happen directly on your website or sales channels. When human contact is present all the way through the transaction, the customer feels better about the purchase.

Lastly, if anyone has mastered brand advocacy, it's the direct selling channel. Luxury brands may be creating walking billboards, but the direct sales industry creates walking neon signs with attached private sales lounges. Each brand advocate has a personal story to tell about how the company and products they represent have changed their lives. Luxury brands would kill to have their customers as emotionally invested as our distributors. That level of personal attachment exudes desirability, but only if your sellers have a platform and a mechanism to tell their stories.

At the core, a single thread connects these ideas – empower your people to connect and provide a premium personalized experience for their customers. Your technology strategy needs to include mechanisms to support this effort. When the strengths of this channel are given the proper pathways to shine, projecting perceived value becomes the byproduct of the interaction and our advocates can better sell premium products for their value, not a misperceived premium.

Passion, Product and Personal: Direct Selling's Charitable Giving

The channel gives generously to causes that resonate deeply

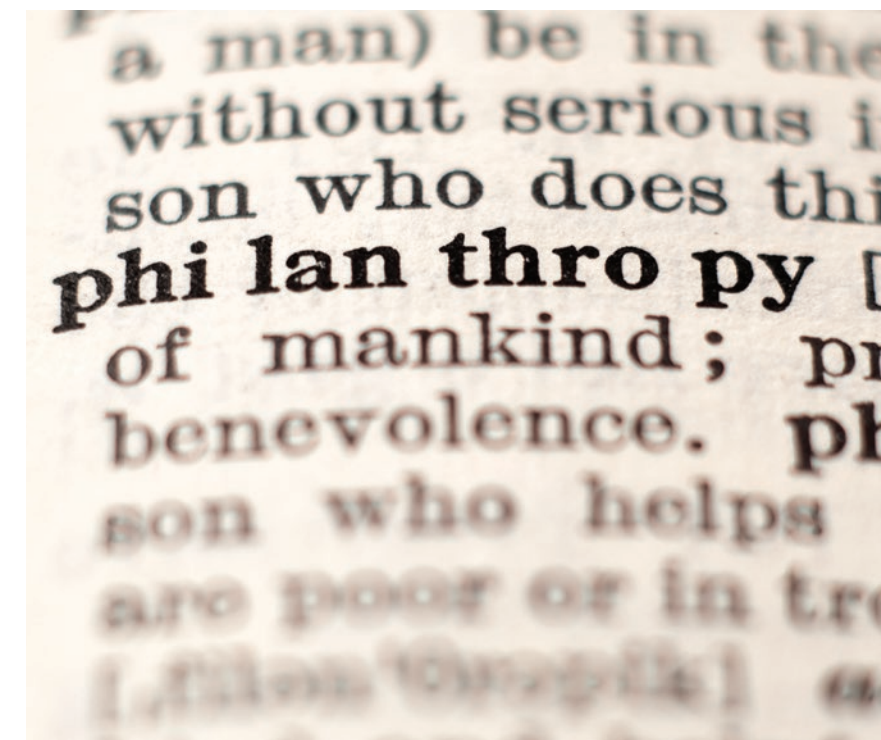
By Jenna Lang Warford

Companies in the direct selling channel often have a formal charitable giving program that matches the passion of its distributors. Some programs are founded in a moment of clarity to meet a defining need, such as **Pure Romance's** Patty Brisben Foundation.

CEO Chris Cicchinelli says, "My mom and I were at a Denver meeting of cancer survivors as she was going to be the closing speaker. As the medical panel was finishing up and taking questions, a woman stood up and asked, 'When is my husband going to touch me, hold me, treat me like a woman again?' This room full of survivors was in tears. And the doctor responded with, 'You know, you're just lucky that you're alive. Sex is a luxury.'

"The woman said, 'It's not a luxury to me. This is our relationship. It's very important to us.' And I remember my mom leaning over to me and saying, 'We're doing something about this when we get back to Cincinnati. Every woman deserves education and resources, to feel comfortable and confident in her own body.'"

Cicchinelli adds, "That's why, over the years, we've raised almost \$5 million in sexual health grants for hospitals like Memorial Sloan Kettering Cancer Center and the Dana Farber Cancer Institute, among others."



This approach is called corporate shared value (CSV). The idea of CSV originated in a 2006 *Harvard Business Review* article by Harvard professor Michael Porter and Harvard-Kennedy School of Government senior fellow Mark Kramer. In essence, with a corporate shared values approach, companies try to address social problems as a core part of their business strategy.

Dora Lutz, the founder of Giving-Spring.com, a company that helps businesses create corporate giving programs, sums up the CSV

approach as a company asking, "How can we engage meaningfully in the community?"

Product Alignment

Other direct selling companies look for giving opportunities that align with their products, such as **Nu Skin's** Nourish the Children (NTC) program. NTC—which is one segment of a three-part giving strategy—provides VitaMeal, a nutrient dense porridge, on an ongoing basis to numerous charity partners that focus on feeding children.

Heather Cruz, vice president of corporate social responsibility and sustainability, who oversees all the company's charitable giving initiatives, says, "NTC is a purchase-to-donate program; a for-profit initiative. We're very careful about saying that it is a for-profit initiative, because the brand affiliates do earn commission from selling it.

"We've gone back and forth internally considering whether we should make this purely humanitarian, so there's nothing (the distributors) get from it, because it's a hard thing to talk about a charitable effort where you're getting something from it financially.

"I went through a Harvard class last December on the concept of shared value, and what it digs into is how charitable projects that companies are working on should have benefit to the company as well as a benefit to the people you're helping," Cruz says.

"Since then I've looked at VitaMeal with a different perspective. Yes, this is a product where they are earning something, but it's doing a lot of good. It's feeding a lot of children. So why is it bad that there's an incentive for them to participate? In some ways it is brilliant that there is an incentive

CONTINUED ON PAGE 17

CHARITABLE GIVING, CONTINUED FROM 15

for them. They're participating, and it's sustaining itself."

The NTC program isn't a one-and-done initiative. The program is focused on certain schools and consistently providing food for those, long term, so that those children receive what is, for many of them, their only meal of the day.

Cruz says, "That's the thing that I like about the VitaMeal program; meals are consistently going to the same places over and over. This means the effort isn't like spreading peanut butter super thin everywhere; but is focused and therefore effective. To date 750 million meals have been provided to children in need."

Nu Skin also provides an opportunity for localized giving to children's surgery initiatives through commission deductions of 1 percent, as well as a product line with a built-in donation of 25 cents per product purchased going to the charitable initiatives.

More recently, Nu Skin has created the opportunity for top donors to

“We live out our values by being the change for a better world.”
 — Will Templeton, Director of Global Amway Brand, Amway

the localized initiatives to self-fund trips to visit the surgery centers and see the hospitals and meet some of the children they're helping.

Nature's Sunshine also focuses on creating impact in alignment with its product mission, utilizing the healing power of nature.

"At Nature's Sunshine, giving back is in our nature and is part of our founders', Gene and Kristine Hughes, vision for the company," says CEO Terrence Moorehead. "Our work through the Impact Foundation is dedicated to sharing the healing power of nature with hundreds of thousands of women and children, providing them with essential vitamins, nutrients,

and other essentials they need to survive."

Moorehead says, "I am proud to say that the Impact Foundation has and will continue to make a difference as we help provide opportunities for women and children to live a happy, healthier lives."

Alignment with Immediate Need

For Rallyware, its charitable giving became intensely personal when part of its staff was suddenly in a war zone. CEO George Elfond says, "This year, Ukraine has dealt with a barbaric war. Being a globally distributed team with staff in the USA, Canada, Spain, Peru, Poland and Ukraine, we have been proud to support not only our team members in Ukraine, but also hundreds of Ukrainians with humanitarian help, relocations, and defensive equipment, securing people's safety and livelihoods.

"This large-scale crisis has made the Rallyware team stronger than ever before, and we will continue supporting peace and democracy in the world."

For Pure Romance, In addition to the Patty Brisben Foundation, it has another charitable initiative that is the outgrowth of CEO Cicchinelli's family's experience and immediate need: the Living With Change foundation. The foundation helps families with

transgender youths. Living With Change has a specialized center at Children's Hospital in Cincinnati, Ohio, with full-time doctors and therapists, as well as research and advocacy programs on site.

The foundation also offers education, medical care and community for families with a transgender youth. Pure Romance's Consultants can support the foundation through donations, and it has also garnered corporate sponsorship from companies in Ohio and throughout the U.S.

Legacy Alignment

For some companies, their giving is an outgrowth of the legacy the company has created. Will Templeton, director of **Global Amway Brand**, says, "One of the traits that has always made Amway—Amway—is our commitment to those around us. We live out our values by being the change for a better world. As a company, we embrace this broadly and focus our philanthropic efforts on these three key pillars: Nutrition, Health and Wellness; Empowerment; and Engagement.

"We believe that it is our responsibility to use the best of our business and the passion of our people to impact communities in every market where we do business."

CONTINUED ON PAGE 18

People are our Purpose



JON PONDER
HOPE FOR PRISONERS

REAL PEOPLE. REAL STORIES.

Jon Ponder credits a cup of convenience store coffee from the man who arrested him as the act that turned his life around. This seemingly simple show of respect forged an unlikely friendship between an FBI agent and a three-time convicted felon, and it was in this life-changing moment that inspired him to embrace a new path—a path toward faith, service, and redemption.

Today, Jon pays this kindness forward by empowering thousands of formerly incarcerated people like himself to build a brighter future. He founded Hope for Prisoners, a foundation that, through donations, helps people reenter the workforce, reengage with their families and communities, and reclaim their lives. In recognition of his widespread impact, he was pardoned by the President of the United States, Donald Trump.

Jon's story reminds us that everyone deserves a helping hand. That's why we're here. We deliver premium payment processing to make it easier for incredible people like Jon to continue their work.

We are proud to partner with Jon and those like him who go above and beyond to make life better for others. After all, people are our greatest strength.

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CHARITABLE GIVING, CONTINUED FROM 17

The company focuses on grant funding priorities and has donated millions of dollars to more than 130 nonprofits as well as empowered its team to be change agents closer to home, near its headquarters in Ada, Michigan. Templeton says, “Clocking more than 2,700 volunteer hours, employees supported 24 projects including outdoor yard maintenance, assembling a playground and packing meals for distribution.”

According to Templeton, Amway’s CEO Milind Pant says it best, “Our founders believed in the potential to help people live better, healthier lives. We are proud to act progressively and move this vision forward in everything we do.”

Health and wellness brand **AdvoCare**, too, honors a

legacy of giving in its charitable efforts. CEO Patrick Wright says, “AdvoCare originated from the phrase ‘Advocates Who Care,’ and we have stayed true to that mantra during our almost 30-year history. We show that we care through donations of time and treasure to our hometown organizations.”

The company also supports the AdvoCare Foundation, which has donated more than \$1 million in its first seven years to organizations throughout the U.S. “The AdvoCare Foundation focuses on helping families live happy, healthy, and safe lives,” Wright says. “Through our years-long dedication to helping underserved children and families, we have seen many make incredible progress in their health journeys that will impact generations to come.”

Passion Alignment

For **Ruby Ribbon**, a company that began with a comfortable and supportive cami as an alternative to a bra, its charitable initiatives have included the National Breast Cancer Foundation. As its product line has grown to include a more comprehensive line of clothing, the company has added donations to White Pony Express, which helps eliminate hunger and poverty by providing food, clothing, and other items to families in need.

CEO Clint McKinlay says, “Each November, we partner with the National Breast Cancer Foundation to donate thousands of camis to women in acute need. Our products provide comfort and support to women at so many life stages, including a woman’s journey through breast cancer. We are also grateful to be able to

make a product donation totaling \$450,000 in apparel, including our signature camis, demiettes, skirts, leggings and dresses to White Pony Express.”

Jordan Essentials, a body and skin care company, has a variety of charitable giving programs throughout the year. Marian Smith, director of sales and communications, says, “During the pandemic, our focus was on Feeding America. As a made-in-America company, we felt this was a great fit for our company and our consultants. Feeding America focuses on people, especially children and families, across the country who were faced with a lack of food for healthy meals. With schools being closed, having resources for healthy meals at home was very important, and Feeding America provided an avenue to fill this need.”

Smith adds, “Our field fully embraced this program. I believe they saw how hunger affected people in their own towns and even their own teams. Knowing that by doing what they normally do—have parties and share products—they could make a difference, that made this something our consultants embraced.”

In October, Jordan Essentials supports Breast Cancer Awareness. This year it was through a social media campaign, “Know Your Boo-Bees,” to help educate people about breast cancer and how to be proactive. The company donates a portion of the sales from specific products to breast cancer awareness programs, such as the Breast Cancer Foundation of the Ozarks.

This year, with the stress on educators being a topic of concern in the U.S., the company also partnered with its independent consultants to send *Back to School Blessing Boxes* to teachers across the country. In less than 48 hours, over 750 teachers were nominated by a consultant or a customer to be blessed with a box.

The nominating consultants/customers donated \$5 to help offset shipping costs of sending boxes with over \$50 worth of products to teachers via the school, for both personal and classroom use. The total donation this year was \$38,500 in product.

Another company that focuses on passion-inspired giving is **SeneGence**. Founder and CEO Joni Rogers-Kante started her company while juggling the responsibilities of being a single mom and CEO. A few years later she created the Make Sense Foundation as a way to give back to the community by helping women and children in need.

“The Make Sense Foundation Board and I are proud to have

“ I remember my mom leaning over to me (at a cancer survivor event) and saying, ‘We’re doing something about this when we get back to Cincinnati. Every woman deserves education and resources, to feel comfortable and confident in her own body.’
— Chris Cicchinelli, CEO, Pure Romance

donated to the Breast Cancer Coalition of Rochester, N.Y.,” says Make Sense Foundation Chairwoman Rogers-Kante. “We heard of this organization through our Independent Distributor MSF Charity Ambassador Rachel Johnson and found a true alignment in our the mission of this worthy organization and the Make Sense Foundation.

“Breast cancer impacts 1 in 8 women, and there is still much work to be done to eradicate this disease. As a breast cancer survivor, along with many within our sales force, we want to continue to raise awareness, promote early detection, and work toward a cure.”

While much of the funds for the foundation’s grants are raised through specific products that have an amount donated for each sale, there are also commission donations, credit card donations, and fundraising efforts via raffles and other specific sales at distributor events. Distributors who donate at certain levels yearly are recognized by the foundation.

More recently, the foundation has begun offering influential distributors the opportunity to lead fundraising efforts for local

agencies as a means of creating even more impact.

Another beauty and skin care brand, **Arbonne**, has a passion and mission to empower everyone to flourish through sustainable healthy living, both mentally and physically. This aligns with the Flourish Arbonne Foundation’s focus on improving the mental well-being of youth across the globe.

CEO Tyler Whitehead says, “We empower youth to flourish through monetary grant funding via strategic partnerships with leading charities and non-profit organizations in each of the countries we operate in.”

The company and foundation’s multi-country approach contributes to nonprofits in the United States, Canada, and Australia that use positive means to educate youth about mental health and drive new ways to talk about, respond to, and understand mental health struggles through programs such as school chapters and lived-experience speaker presentations.

The company also partners with nonprofits in the United Kingdom and New Zealand that provide direct intervention services such as counseling, support groups, and chat services to youth who are struggling.

Their goal is to raise \$10,000,000 to empower 1 million youth by 2030. Whitehead says, “Since 2020, we have already raised over \$2.4 million and impacted over 330,527 youth.”

These are just some of the ways that direct selling companies go beyond creating opportunities for people to build an income to help achieve their financial goals. By creating opportunities for distributors to make an impact through charitable giving on a large scale everyone benefits.



Jenna Lang Warford is a *Social Selling News* Contributor.

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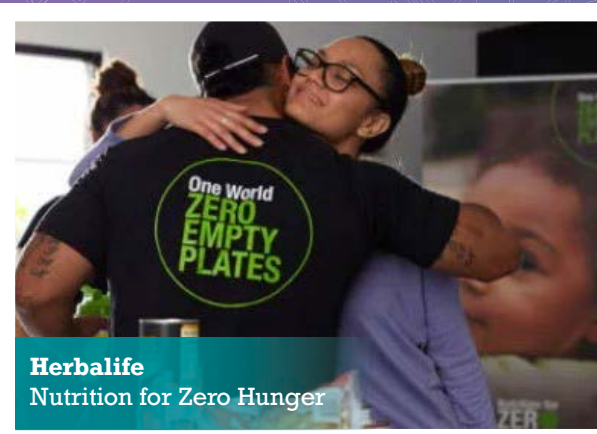
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Philanthropy in the Channel



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Herbalife
Nutrition for Zero Hunger



Nature's Sunshine
Feed My Starving Children



USANA
USANA Foundation



Momentum Factor
Casita Linda



Amare Global
Children's Center of Utah



Jordan Essentials
Feeding America



Nu Skin
Nourish the Children



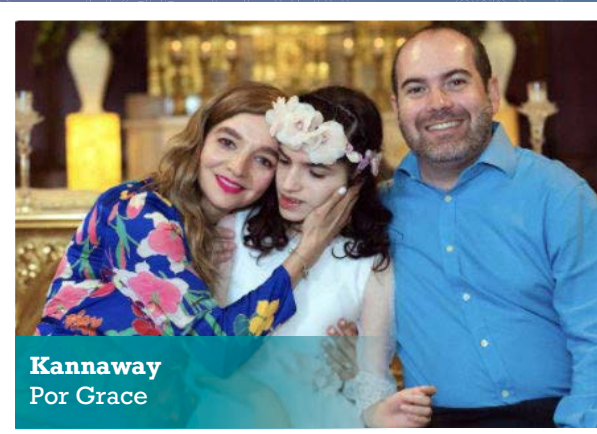
Vasayo
Hearts and Hands for Humanity



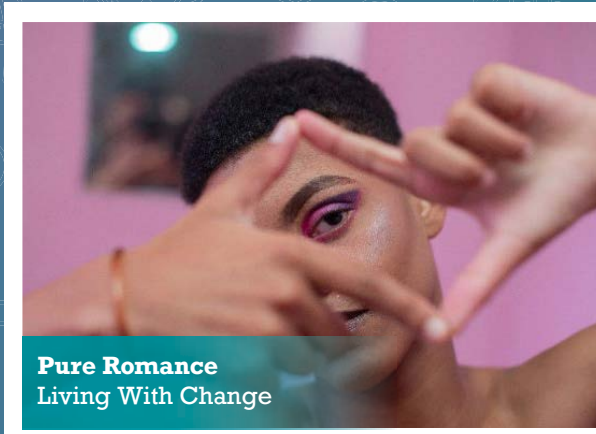
Scout & Cellar
1% For the Planet



Amway
CSR Team



Kannaway
Por Grace



Pure Romance
Living With Change



Verb
Verb for Humanity



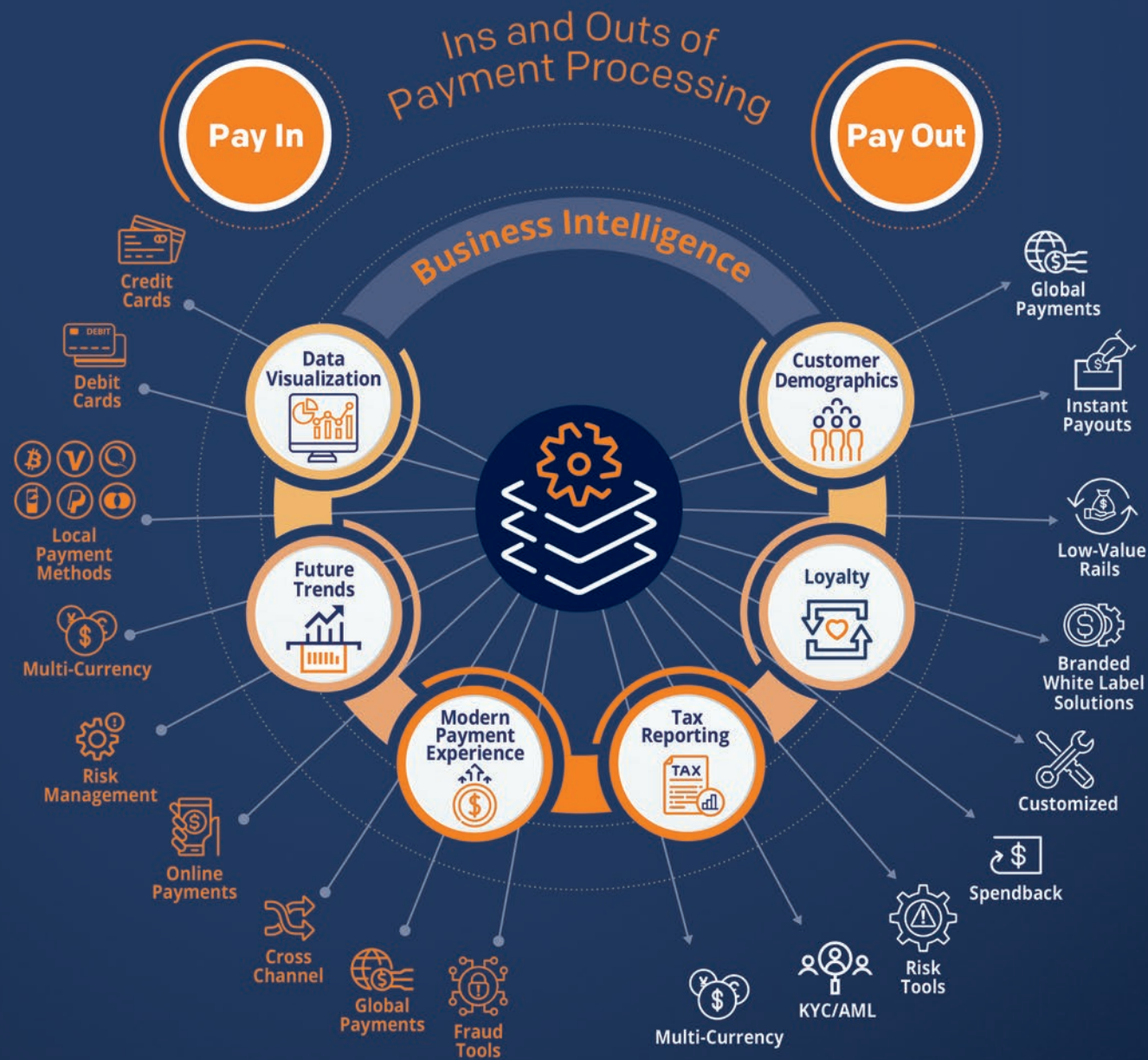
Arbonne
Flourish Arbonne Foundation



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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 have supported in 2022. 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 next year's issue.

COMPANY NAME	ORGANIZATION OR CAUSE SUPPORTED	DESCRIPTION	WEBSITE/CONTACT
AdvoCare	AdvoCare Foundation	Committed to helping families live safe, happy and healthy lives.	advocarefoundation.org
Amare Global	The Children's Center Utah	Comprehensive mental health care for children.	Joni Clark jclark@tccutah.org
Amway	Amway Cares	17 non-profit orgs served near Ada, MI headquarters.	amway.com/en_US/ corporate-social- responsibility
Arbonne	Flourish Arbonne Foundation	Grant-making foundation focused on mental well-being for youth.	Kaeli Carrera Director, kcarrera@arbonne.com
Color Street	Color Street Foundation	Supported by our team of Stylists: Awareness campaigns for birth defects, substance use disorder, breast cancer and various child-centered adversities.	colorstreet.com/home/ giving-back
Herbalife	Nutrition for Zero Hunger	Providing critical resources and expertise to communities around the world. Collaborating with leading nonprofit partners, we are committed to find the answers to this challenge.	iamherbalifenutrition. com/global-responsibility/ nutrition-for-zero-hunger/
Isagenix	ISA Foundation	Providing grants to nonprofits supporting child nutrition, wellness education, natural disaster aid, equality.	isafoundation.net

COMPANY NAME	ORGANIZATION OR CAUSE SUPPORTED	DESCRIPTION	WEBSITE/CONTACT
Jordan Essentials	Feeding America	In addition to supporting teachers and breast cancer awareness, Jordan Essentials has donated 264,000 meals to Feeding America. During the month of November, every time a party is closed we donate 10 meals.	Marian Smith, Director of Sales & Communication Marian@ jordanessentials.com
Kannaway	Por Grace	Raising awareness and donating funds to great causes, proud to support the not-for-profit foundation, Por Grace.	kannaway.com/corporphan/ porgrace
Longaberger	American Cancer Society	Horizon of Hope Campaigns have supported research, new proposal funding, and real-life challenges for those diagnosed or at risk for breast cancer. Longaberger is proud to continue our longtime collaboration with Horizon of Hope and The American Cancer Society.	cancer.org
Mary Kay	Mary Kay Foundation	Focus: Eliminate Cancer - one in three women will be diagnosed with some form of cancer during in their lifetime. / End Domestic Violence - Committed to stopping the violence, breaking the silence and making a difference.	marykayfoundation.org
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	Global giving effort focusing on education, children and families.	gratitude@monatglobal.com
Nature's Sunshine	Impact Foundation	Dedicated to sharing the healing power of nature with hundreds of thousands of women and children, providing them with essential vitamins, nutrients, and other essentials they need to survive.	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
Norwex	Norwex Foundation for a Brighter Future	We support organizations committed to helping families and protecting our planet.	norwexfoundation.org
NuSkin	Force for Good Foundation	Providing opportunity for improved children's health & wellness around the globe.	forceforgood.org

THE

RANKS THANKS

COMPANY NAME	ORGANIZATION OR CAUSE SUPPORTED	DESCRIPTION	WEBSITE/CONTACT
NuVita	Girl Up	Each month a portion of all proceeds benefits a different charity, organization, or cause. Specific focus on putting an end to human trafficking.	nuvitacbd.com/pages/giving-back
Plexus Worldwide	Global Giving Day	Plexus is dedicated to making donations to local charities that enhance innovation, promote technology-related educational programs (STEM) and preserve the quality of life in the communities in which our teammates reside.	plexus.com/en-us/sustainability/charitable-giving
Pure Romance	Living With Change	Supporting transgender youth and their families.	livingwithchange.org
Rallyware	Ukraine humanitarian aid	Rallyware supports multiple Ukrainian organizations that are helping Ukrainian people to fight for their freedom and sovereignty.	info@rallyware.com
Ruby Ribbon	White Pony Express and the National Breast Cancer Foundation	Giving back to women in need.	whiteponyexpress.org nationalbreastcancer.org
Sanki Global LLC	BelAge For Two	Supporting Down Syndrome, Autism, Diabetes, and Cancer organizations among others.	marketing.us@sankiglobal.com
Senegence	The Make Sense Foundation	Supporting women and children in need.	web.senegence.com/en_us/non-profit-foundation
Scentsy	Scentsy Family Foundation	Scentsy Family Foundation, a 501(c)(3) that funds causes focusing on children, family and communities.	scentsy.com/charitable-cause
Scout & Cellar	1% for the Planet	1% for the Planet represents a global network of businesses, individuals and environmental organizations tackling our planet's most pressing environmental issues.	onepercentfortheplanet.org
USANA	USANA Foundation	The USANA Foundation provides immediate and long-term global food relief for those in severe 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



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WHAT'S NEW ▶▶

Herbalife Initiative to Fight Global Hunger Celebrates 3 Years

Herbalife Nutrition and its philanthropic organization, Herbalife Nutrition Foundation (HNF), marked three years since launching its Nutrition for Zero Hunger (NFZH) initiative. The program contributes to organizations working to end global hunger worldwide. Already, the company has provided \$7.9 million to this effort in the past three years and now pledges \$2.3 million to continue that work over the next three years, as well as donate nutrition products and promotional support to partner organizations. With 828 million people expected to face hunger this year, according to the United Nations World Food Program, those 21 partner organizations and programs face greater challenges to provide services and continue to depend on public/private partnerships to combat food insecurity. Since September 2019, NFZH has donated 2 million meals; 360,000 pounds of food and 5.3 million servings of product; supported approximately 520,000 people in 2021; and provided nearly 600,000 nutritional education materials to communities.

Sunrider Cuts Ribbon for Texas Manufacturing Facility

Coinciding with its 40th anniversary and annual Grand Convention in Dallas, Texas, **Sunrider** officially opened its Texas Manufacturing Plant (TXP), in nearby Midlothian, with a ribbon-cutting ceremony. This year marked the first time in three years that attendees of the convention met in person and featured a performance by the Dallas Cowboys Cheerleaders, business trainings, general sessions, recognition, and workshops. The new 1.1-million-square-foot manufacturing facility, which was the centerpiece of the event, sits on 71 acres and has already begun full-scale production of the company's product lines, including Lip Dew Balm, Kandesn Lip Colors, and Face Palettes, which were launched at the convention. The City of Midlothian and Ellis County had offered Sunrider a more than 50% reduction in property and business tax if the company decided to expand its footprint to at least 600,000 square feet and hire more than 200 employees. Chicago-based merchant bank Conlon & Co. is owner of the site.

Mary Kay Highlights Focus on Diversity, Equity and Inclusion

In recognition of Global Diversity Awareness Month and World Inclusion Day, Mary Kay Inc. released a Diversity, Equity and Inclusion (DEI) statement as well as hosted a Diversity, Equity and Inclusion Summit. Already a champion of women's empowerment and gender equality, the company is reinforcing its commitment to DEI with efforts centered around three fundamental concepts: "understanding through Knowledge, demanding Action, and ensuring sustainable transformative Change within our company, across our business partners and in the communities we serve." Mary Kay Inc., which sees its responsibility as a private company to help bring about social change, is advancing DEI through employee training and engagement, a diverse product portfolio, supplier diversity and inclusive procurement, and social risks in the supply chain. Currently, more than half of Mary Kay's executive team is comprised of women, and 38% is BIPOC. Of the company's global workforce, 62% is made up of women, and 60% of the leadership positions in the company's top 10 markets are held by women.

DSA Hosts Direct Sellers and Policymakers at D.C. Event

The **Direct Selling Association (DSA)** hosted its annual Legal & Regulatory Seminar recently in Washington, D.C., providing the opportunity for direct selling company executives within legal, regulatory, and government affairs to have direct access with regulators and policymakers. Through presentations and panel conversations, participants learned how companies and the industry can adapt and respond to ensure protection of direct selling businesses and consumers. They heard from Sam A. A. Levine, Director of the Bureau of Consumer Protection at the Federal Trade Commission, along with U.S. Senator Marsha Blackburn (R-TN) and Reps. Debbie Lesko (R-AZ) and Marc Veasey (D-TX). General counsels, compliance executives, leading industry attorneys, industry partners, and Congressional staff also joined the conversation on issues impacting the direct selling industry. Congress members also brought attention to the role direct selling businesses play in the overall economy, creating work opportunities as well as services and products that consumers are looking for.

Telecom Plus to See Higher Profit Growth Than Expected

Telecom Plus PLC (TEP—LONDON), a U.K.-based supplier of discounted utility services trading as Utility Warehouse, announced a jump in its expectations for full-year profit after seeing a rise in customers using its services during the six months ended Sept. 30, 2022. This "record number of UK households" took the total number of customers for the period to 814,684, representing an annualized growth rate of almost 24%, which is consistent with the company's target of adding 1 million additional customers over the next four to five years.

Telecom Plus expected full-year profits to be ahead of current market expectations, due primarily to stronger customer growth, a reduction in the previously expected cost of multi-service discounts during the previous reporting period, as well as an improved outlook for energy affordability. Prior to this update, the consensus estimate for adjusted earnings before tax for the year ending March 31, 2023, was £75 million.

Medical Marijuana Purchases MFINITY

Medical Marijuana Inc., parent of direct seller **Kannaway**, has entered into an asset purchase agreement with **MFINITY Global LLC**, a direct selling company that sells natural health products. With the purchase, MFINITY products now will be marketed and sold under the Kannaway brand as well as through Kannaway independent distributors and on Kannaway.com. The MFINITY salesforce will also fall under the Kannaway umbrella with immediate access and ability to market and sell Kannaway's cannabis-based products. MFINITY's product sales will gain broader market access and exposure through Medical Marijuana's international platform and global footprint as well. The addition of MFINITY assets follows Medical Marijuana's new growth model of expansion via acquisition. This model is made possible through Medical Marijuana's ability to efficiently add formulations and product lines from acquired companies to its in-house manufacturing and distribution process.

WHAT'S NEW ▶▶

Tupperware Products Now Selling in Target

Tupperware products can now be purchased at Target, marking a major change for the iconic brand that invented the party plan model. While the company had experimented with limited-time pilot programs through retailers including Target, Bed Bath and Beyond, and HomeGoods, in-home parties were a mainstay for its plastic food containers, if not purchased on its website. The company only recently launched products on Amazon, in June. The move to retail was not abrupt, as CEO Miguel Fernandez announced on LinkedIn. It was part of Tupperware's greater plan to reinvent the brand and grow through multiple retail channels in order to bring its products to younger consumers who have not shopped for Tupperware in a party setting. According to Fernandez, creating this omnichannel business strategy required investments made over the past two years with new leadership appointments, elevated operational capabilities, and improved processes across the enterprise. And Tupperware is not abandoning the direct selling model. Customers will be able to continue purchasing through parties and the website.

eXp Realty to Start Operations in Chile, Poland

eXp Realty has made plans to continue the expansion of its real estate operations into Chile and Poland. The move into Chile has the potential to strengthen eXp Realty's position in the South American market where operations already exist in Brazil and Colombia, the company said. Poland has had a recent surge in real estate brokerage consolidation as well. These expansions come after a successful launch of three new markets in 2022 including the Dominican Republic, Greece and New Zealand, with Dubai expected to open soon. Upon launch of these new markets, eXp Realty will have a presence in 24 global markets, including its headquarters in the United States. Operations in Chile will be led by Virginia Restrepo, who has seven years of experience in real estate sales and leadership, and Dorota Chomuntowska, who has more than 11 years of real estate broker experience, will lead Poland.

Former Khrysos President Required to Pay Youngevity \$20 Million

Youngevity International Inc., a multi-channel lifestyle company, and its subsidiary **Khrysos Industries Inc.** announced that the Circuit Court of the Ninth Judicial Circuit for Orange County, Florida, has issued an order against former Khrysos President Dwayne Dundore granting Youngevity's motion for summary judgment on Counts III (Fraudulent Inducement) and IV (Breach of Employment Agreement), awarding Youngevity \$20,915,507 in damages. According to the case, "Youngevity sought summary judgment on its claim that Dundore fraudulently induced Youngevity into entering the Asset and Equity Purchase Agreement, through which Youngevity acquired the assets of Dundore's Khrysos Global, by misrepresenting Khrysos Global's book of business and sales pipeline. ...Youngevity (also) sought summary judgment on its claim that Dundore breached the Employment Agreement's Duty of Loyalty and Non-Solicitation provisions through his involvement in Phantom Industries Inc. and Phanton X Enterprises and by inducing (a fellow) Khrysos Industries (employee) to resign and work with him at Phantom X Industries." No assurance is given that Youngevity will be able to collect on this award.

Direct Selling Innovators Honored as Women of the Year

Utah Business has named two leaders in direct selling to its list of 2022 Women of the Year—Michelle Benedict, director of USANA Kids Eat, **USANA Health Sciences**, and Helen Knaggs, Ph.D., head of global product research and development, **Nu Skin**. Each year, *Utah Business* recognizes women who have made meaningful strides in male-dominated business sectors and honors them for their drive to make space for other women through inspiration and vision. Benedict started out as a dance studio owner and inner-city coach with community education dance programs. Her understanding of the struggles experienced by inner-city and at-risk youth motivated her to start The Kids Next Door charity and later develop the Kids Eat program at the USANA Foundation in 2019. Knaggs has an educational background in biochemistry, pharmacology and molecular biology. She further grew her skin care and wellness product experience within dermatology at Leeds General Infirmary as well as Unilever. She went on to innovate in personal care and wellness at Nu Skin for the past 16 years.

THE SUPPORTERS ▶▶

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.

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People on the Move



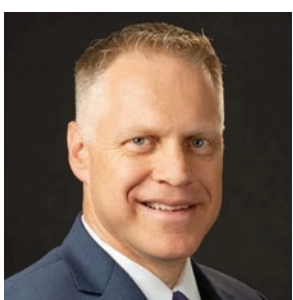
GENE TIPPS, PLEXUS WORLDWIDE
Gene Tipps has been appointed CEO at **Plexus Worldwide**. He most recently served as president of global operations. Before Plexus, Tipps led operations at **Yevo** and **LifeVantage**. 4Life founders **Tarl Robinson** and **Alec Clark** will now transition to roles on a new Strategic Council, with **Robinson** continuing as company president until early 2023.



DAVE FLEMING, NEORA
Neora has appointed **Dave Fleming** as executive vice president of business development. Fleming joins **Neora** after over 20 years' executive experience in direct selling, including leading sales and field development for **Norwex**, **LifeVantage**, **Shaklee**, and **Nu Skin** as well as in the technology sector. He has spent many years working internationally in China.



KARINA SUÁREZ, AVON
Karina Suárez has become the first female general manager of **Avon Chile**. Suárez joined **Avon** in 2020 as national sales manager. With 24 years of experience in branding, marketing and sales, she spent the majority of her career, 18 years, at **Unilever**, managing several of its brands before moving to **The Clorox Co.**



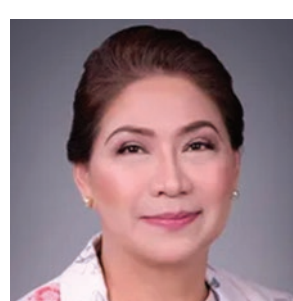
TJ FUND, 4LIFE
4Life has appointed **TJ Fund** as executive vice president of corporate operations. Fund will also serve as chief legal officer, overseeing non-finance corporate operations and refining **4Life's** legal and regulatory strategy. Fund has broad corporate counsel experience, with over 10 years as general counsel for Fintech businesses, as well as **Nature's Sunshine**.



ALICE HIRSCHEL, 4LIFE
4Life has hired **Alice Hirschel**, Ph.D., as director of scientific and regulatory affairs. Hirschel will ensure the company's compliance and claims substantiation. She has spent 20 years in nutrition research and the dietary supplement industry, having started out in academia. Hirschel later began working with supplements as a product development scientist.



JORGE CHACÓN, 4LIFE
Jorge Chacón has been promoted to vice president of global markets at **4Life**. In this role, Chacón will oversee operations in Peru, Bolivia and Chile. He joined **4Life** 12 years ago as Costa Rica finance manager and later served as general manager of Ecuador and then Peru. Chacón previously worked as a business administrator.



LEVI ANGELES, VELOVITA
Velovita has hired **Levi Angeles** as the company's Philippines general manager in preparation to launch in the market. Angeles, a colleague of **Velovita** CEO **Kosta Gara**, plans to build a strong presence in the country while providing support to new distributors. The Philippines is a fast-growing e-commerce markets, reaching \$17 billion in 2021.



DANI BALOGUN, VALIDUS
Dani Balogun has joined **Validus** as strategic advisor and vice president of Africa. Born in Africa and later serving in the Dutch military, **Balogun** found his way to network marketing. He will bring experience as a global sales leader as well as insight into African, Caribbean, and European business and trade.



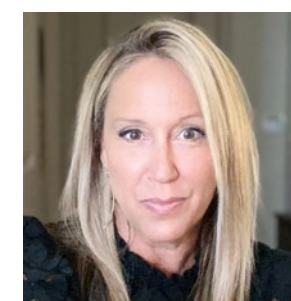
FELMA ONG, BYDZYNE
ByDzyne has hired industry veteran **Felma Ong** as Philippines country manager to officially launch **ByDzyne** in the new market. She will be instrumental in leading the company's strategy in the region moving forward. A former accountant, **Ong** brings more than two decades of experience in network marketing, where she was a top salesperson.



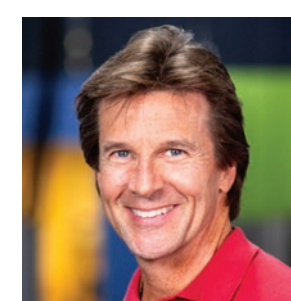
WENDY CHRISTOPHER, CERULE
Cerule NZ Ltd has hired **Wendy Christopher** as sales and operations manager for New Zealand and Australia. Christopher, a U.K. native, has spent over 32 years in direct selling serving in management positions with **Betterware**, **The Body Shop at Home**, **Ann Summers**, and **Avon** in the U.K., New Zealand, and Australia markets.



RICH MAKOVER, QYRAL
Qyral has appointed **Rich Makover** as the company's new chief sales officer. In this role, Makover will provide leadership and drive strategy to help grow the company as well as support consultants. In his more than 20-year career he has helped transform many companies at all stages, including **Avon**, **Citizen Watch**, and **Frederick Goldman**.



WENDY LINDAHL, QYRAL
Wendy Lindahl has joined **Qyral** as director of sales. The direct sales veteran will lead the growth and development of its sales-force. Lindahl brings more than 20 years of experience to the role, having served as a consultant and worked on the corporate side with **Avon**, **Plexus Worldwide**, **Barefoot Books**, and others.



JACK FARRIS, EXIGO
Exigo has appointed **Jack Farris** to chief sales officer. Farris has over 30 years of sales, sales management, strategy and executive leadership across multiple industries, having worked with **ECI Software Solutions**, **Lanyon**, and **Signature Card**. He has spent the past decade building out global sales and marketing teams for software companies.

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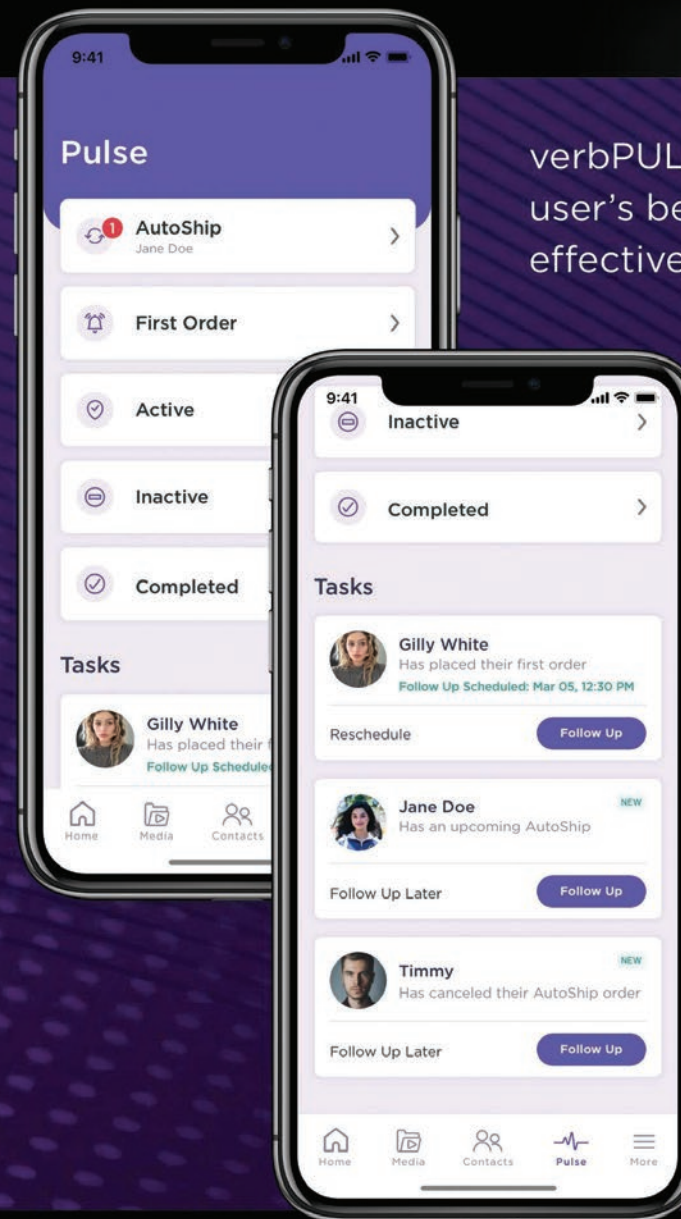
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