



FOR IMMEDIATE RELEASE
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Contact:
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**ADVOCARE STATEMENT
RE: RECENT LAWSUIT FILED AGAINST ADVOCARE**

Last week, AdvoCare was made aware of a lawsuit filed by two former Distributors against AdvoCare in federal court. We vehemently dispute the claims against AdvoCare's business model, alleging we are a pyramid scheme. AdvoCare takes great pride in the value our nutritional products bring to our loyal users and in the opportunity we afford entrepreneurs through our direct selling model.

Direct selling, also known as multi-level marketing, is a viable retail channel used by top global brands. The primary hallmarks of a pyramid scheme are selling products that have no market value, placing more value on recruiting than the product itself, and charging steep startup costs. AdvoCare explicitly advocates against these types of practices and actively supports efforts by the direct selling industry to introduce legislation that more clearly distinguishes an illegal pyramid scheme from a lawful direct selling company.

At AdvoCare, we compensate our Independent Distributors based on product sales and the sales made by their team of Distributors. We keep both start-up and annual renewal fees low for our Distributors, and offer a 100% buy back of products to any Distributor who decides the business is no longer for them. We also offer both Distributors and Customers a satisfaction guarantee where they may return any unused portion of products within 30 days for a full refund.

While recruiting other Distributors is part of the direct selling business model, AdvoCare does not compensate Distributors based on recruiting, but based only on the sale of products. We also introduced the Preferred Customer Program in September 2016, allowing loyal product users a way to purchase AdvoCare products at a discount without becoming an Independent Distributor. Since introduction, we have seen great success with this program with 80 percent of sign-ups electing to engage with AdvoCare for the product discount rather than the business opportunity.

We at AdvoCare consider this lawsuit to be frivolous and rife with false allegations. We look forward to defending ourselves aggressively against these charges and supporting our Distributors and customers, as we have for the last 24 years.

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