

Orion Research, LLC

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Mexican President's Team Member Angelica Cruz Says Team Beauty Participants Must Make Minimum Product Purchases, a Violation of the FTC Order

Herbalife President's Team Member Angelica Cruz said during a presentation in Mexico, which was posted to the Internet on February 1, 2017, that those joining Team Beauty transformations are required to sign up with Herbalife and show proof of a minimum purchase of products.

As presented in the online webinar, the Team Beauty program violates the FTC Order by imposing minimum purchases (**Subsection I.F.1**) and causing ineligible commissions to be paid on those purchases (**Subsection I.A.5**). Team Beauty also interferes with the FTC Order (**Subsection 1.E**) by likely inflating the average monthly purchases of Preferred Members, which are used to determine certain commissions.¹

This particular webinar also violates the order by misrepresenting the income potential of the business opportunity (**Subsections II.A and B**).

In the presentation, which has been removed from the Internet, Cruz said:²

“The requirements to enter or to belong to the challenge: You have to present your ticket of the initial buy with your name. The products you need to enter. You can enter with five products. We won't talk about that now. Later.”

Cruz later stated:³

“It's important that you know, that if you want to be coach, that nobody can enter the challenge without having a purchase ticket in their name. You have to present directly with a company ID.”

¹ For more details on how the imposition of minimum product purchases violates the FTC Order, see “Herbalife Fitness Transformations are Used to Impose Minimum Purchases, Violating and Interfering with the FTC Order.”

² See *Angelica Cruz video.mp4* and *Angelica Cruz video English transcript*

³ *Ibid.*

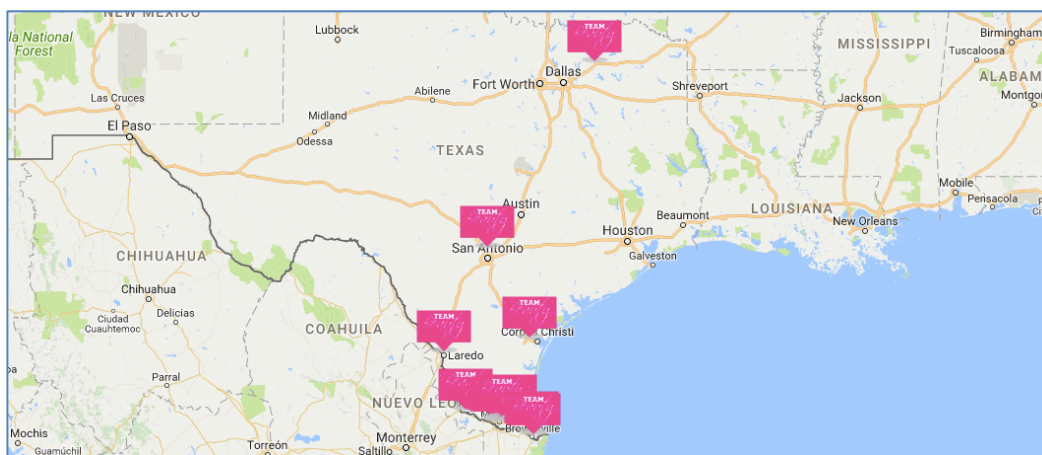
Cruz also explained that because each person recruited into the Team Beauty program is purchasing a set amount of volume points, those doing the recruiting can expect to earn guaranteed commissions:⁴

“Why enter with 10 friends? Friends or family. Because in the moment you enter 10 people in the company, on average you coach Beauty or Beast make 250 volume points. It's OK if now you don't understand volume points.... it's the consumption you make for the company. That means 10 people make 2500 volume points. How many pesos is that? You'll become an expert inspirer. To become an inspirer to get people to enter this movement. Then the check will arrive between 8,000 - 10,000 pesos. Was it worth it? Yes. To help 10 people who want to help themselves. And get a check. Would you be willing to coach those people? Yes. No excuses. We'll work for our people. Would it be worth it for 8-10,000/monthly? Yes.”

The FTC Order bans Herbalife and its agents from making claims or even implying “that participants will or are likely to earn substantial income” and from mispresenting “the amount of revenue, income, or profit a participant actually earned or can likely earn.” **(Subsections II.A and B)**

Team Beauty operates in both Mexico and the US, with top distributors moving back and forth between the two countries to promote the program.

As shown below, many of the official Team Beauty-branded Nutrition Clubs identified on the group's website are close to the Mexican border.



www.teambeauty.org/locations/

⁴ Ibid.