

Orion Research, LLC

December 9, 2017

Herbalife Distributors Recruit New Distributors By Advertising Fitness Coach Positions With Specific Income Ranges, A Violation of the FTC Order

Herbalife distributors attempt to recruit people into the Herbalife business by posting advertisements on social media for Fitness or Wellness Coaches and by providing specific income ranges for those positions. Herbalife's average compensation data do not support these ranges as being at all typical.

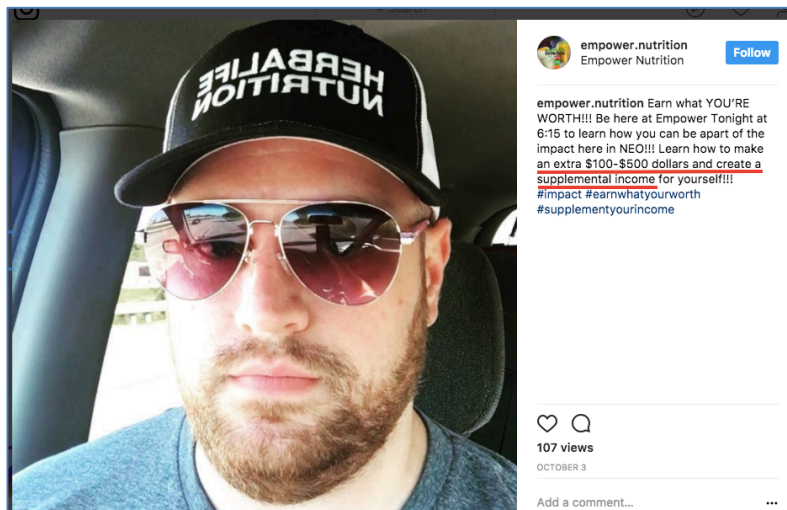
Under Subsection II.B ("Prohibited Misrepresentations") of the Federal Trade Commission (FTC) Consent Order imposed on Herbalife's business in July 2016, Herbalife and its agents are banned from mispresenting "the amount of revenue, income, or profit a participant actually earned or can likely earn."

Subsection IV.B, "Prohibition Against Material Omissions and Unsubstantiated Income Representations," states that Herbalife and its agents may not make "any representation, expressly or by implication, regarding the amount or level of income, including full-time or part-time income, that a participant can reasonably expect to earn unless the representation is non-misleading and, at the time such representation is made, Defendants possess and rely upon competent and reliable evidence sufficient to substantiate that the representation is true."

The following are just a few examples of these misrepresentations, which appear regularly on Herbalife distributors' social media accounts and on flyers distributed at Nutrition Clubs:¹



¹ All social media postings included in this memo are from 2017.



 **Gage Kern** shared Phoenix Baird's post. November 17 at 8:54pm · 🌐

 **Phoenix Baird** was 😊 feeling ready. November 17 at 7:54pm · Denton, TX · 🌐

😊 You: I'm broke.
 😊 Me: Join Herbalife
 😊 You: I'm always at work.
 😊 Me: Join Herbalife
 😊 You: I never see my kids.
 😊 Me: Join Herbalife
 😊 You: I hate my job.
 😊 Me: Join Herbalife .
 😊 You: I need more friends.
 😊 Me: Join Herbalife
 😊 You: I want financial freedom.
 😊 Me: Join Herbalife
 😊 You: I don't have money to join Herbalife
 😊 Me: Then what you're doing isn't working. Join Herbalife!

Are you already on your health journey? Are you looking to get started? Could you use an extra \$300+--\$500+? You can hit your results and make money for the journey. It's truly a win-win situation!
 TEXT "Herbalife" to 405.474.6495 for info!


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 **Nikki Henley** October 26 at 7:06am · Oklahoma City, OK · 🌐

Who wants to make an extra \$500-\$1000 a month for helping others and getting healthy? We are having orientation Thursday night at 7:00 at Matrix Nutrition. Please message me for a spot 405-615-5190.



👍 Like 💬 Comment ➦ Share

 **Herbalife independent Distributor** October 11 · 🌐

Earn \$200 by just helping 1 person, now imagine helping 3 persons daily that's \$600 per day instant cash in your pocket plus Herbalife will cut you a check on the 11th of each months. Call or text for more information on how to get started call now 786-368-7113 Dave

👍 Like 💬 Comment ➦ Share

2 Shares