

BBB NATIONAL PROGRAMS

THE DIRECT SELLING SELF-REGULATORY COUNCIL

DOT DOT SMILE

Case No. 54-2021
Filed 11/29/21

MONITORING INQUIRY

I. Company Description

Dot Dot Smile (“DDS” or the “Company”) is a multi-level direct selling company that sells children’s clothing. The Company was founded in 2013 and is located in Riverside, California.

II. Basis of Inquiry

The Direct Selling Self-Regulatory Council (“DSSRC”) is a national advertising self-regulation program administered by BBB National Programs. This inquiry was commenced by DSSRC pursuant to its ongoing independent monitoring of advertising and marketing claims in the direct selling industry.

This inquiry concerns earnings claims disseminated by the Company and its salesforce members. The representative claims that formed the basis of this inquiry were located on social media and were disseminated by the Company’s salesforce members. Those claims are set forth below:

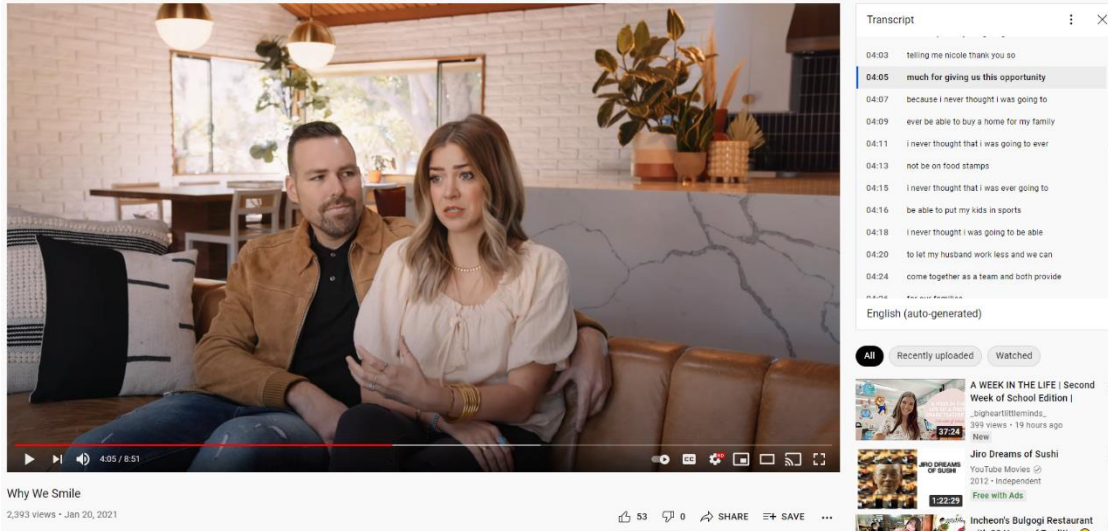
A. Earnings Claims

- “I had NO clue that exactly a year later, the whole world would shut down and that my DotDotSmile business would LITERALLY pay the bills for my other business while I was forced to close. Who knew boutique shopping is not “essential”? Who makes these rules anyway? 🤔🤔
I had no clue that my “little” dress business would grow enough that I was able to sell my store and work from home while helping my kiddos through a hybrid school schedule.
I’m able to be a mom, a wife, AND a successful business owner. All without having any debt connected to my business. THAT is what I call the American dream, y’all.”

<https://www.facebook.com/ddsAshleyFranks/posts/1042889522830418>

- “I started with DotDotSmile so I could stay home with my sweet girl when she was just 8 months old ♡ 1 year and 8 months later, it’s my career. I can help my husband pay the bills. I can pay for vacations. I can buy my daughter extra (possibly unnecessary 😊) gifts ♡ Bottom line?? I’m so so thankful for my little fam and this amazing business. #dotdotsmile #dotdotsmilekids #family #love #confidence #momboss #businesswoman”
<https://www.facebook.com/905012646346315/photos/a.1256449301202646/1347067102140865/>
- “I initially thought I would sell a few items here and there and pay some bills but it has become so much more than that!”
https://www.facebook.com/permalink.php?story_fbid=293437205706494&id=112435547139995
- “Back in April, when the whole world went mad, I had to close my store for a whole month.
A month is not that long for everyone else, but for a business owner, a month with no income can be detrimental.
I still had water, electric, internet, rent, and other bills due.
So I shifted what I was doing and started working my DotDotSmile business 100% of the time.
I am SO. BLESSED. To tell you that every bill that came was paid with dress money. My DotDotSmile business more than just kept me afloat, it TRIPLED during a pandemic.
I’m not really sure why I’m telling you all of this except maybe.... to say two things.

 1. THANK YOU! I can’t even begin to tell you how much I appreciate you all.
 2. Maybe things have changed for you too, and you need a side hustle you can depend on. Maybe you don’t need a full time job, but just a supplemental income. Maybe you need a business that’s going to pay the bills. DotDotSmile can be either one of those things to you. Let’s chat, friend. It could change your life.”
<https://www.facebook.com/ddsAshleyFranks/posts/963838170735554>
- “You can set out and build your dream life...When I get messages from merchandisers and I hear them telling me and I feel it in their voices, they’re fighting back tears telling me ‘Nicole, thank you so much for giving us this opportunity because I never thought I was going to be able to buy a home for my family, I never thought that I was going to ever not be on food stamps, I never thought that I was ever going to be able to put my kids in sports, I never thought I was going to be able to let my husband work less, and we can come together as a team and both provide for our families.”
<https://www.youtube.com/watch?v=qTP6liM79oY>



DSSRC informed the Company of its concern that such earnings claims may convey a message that the typical participant in the Company’s business opportunity will earn significant income.

III. Company’s Non-Participation in the DSSRC Process

DSSRC first brought the representative claims and issues identified above to the Company’s attention by sending a Notice of Inquiry to DDS on September 20, 2021. The Company’s CEO responded and left a voice mail for DSSRC. However, DSSRC made numerous subsequent attempts by telephone, email and overnight mail to communicate with the Company and was unsuccessful. Regrettably, the Company did not respond to DSSRC’s correspondence.

The Company was initially provided with 15 business days to respond to the DSSRC inquiry pursuant to section (II)(4) of the DSSRC Policies and Procedures. After the Company failed to provide a response within 15 business days, DSSRC made several efforts to contact the Company. After receiving no response, a 10-Day notice was sent to the Company on October 19, 2021 by UPS 2-Day mail indicating that, if the Company failed to provide a response to DSSRC regarding the claims and issue within 10 business days, the matter would be referred to the appropriate government agency.

Notwithstanding the additional opportunity to respond to DSSRC’s inquiry, the Company again failed to respond to DSSRC. DSSRC also confirmed that all of the subject earnings claims remain active and accessible to the public.

IV. Referral to Government

DSSRC determined that a number of aggressive earnings claims are being disseminated by the Company’s salesforce members on social media including claims communicating that participants in the Company’s business opportunity can generally expect to earn significant income and allow them to purchase homes and take

vacations (e.g., “Maybe you need a business that’s going to pay the bills” and “I initially thought I would sell a few items here and there and pay some bills but it has become so much more than that!”). All such claims appear unsupported.

As stated in the DSSRC Guidance on Earnings Claims for the Direct Selling Industry, it is misleading for a direct selling company and/or its salesforce members to make any earnings claims unless the direct selling company and/or its salesforce members have a reasonable basis for its claim at the time the claim is made and have documentation that substantiates the claim at the time the claim is made.¹ The Company has failed to provide DSSRC with any evidence indicating that salesforce members can generally expect to earn income at the levels expressed in the advertising and marketing materials disseminated by the Company’s salesforce members.

Despite DSSRC exercising its due diligence to contact DDS several times, the Company did not respond to this self-regulatory inquiry. In accordance with section (II)(9) of the DSSRC Policies and Procedures, in the event the company whose marketing is the subject of a DSSRC inquiry fails to participate in the self-regulatory process, DSSRC may refer the matter to an appropriate government agency for review and possible law enforcement action.

Accordingly, based upon DDS’s failure to respond to this self-regulatory inquiry, DSSRC referred this matter to the Federal Trade Commission.

(Case No. 54-2021 PCM, closed on 11/29/21)

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¹ See the DSSRC Guidance on Earnings Claims for the Direct Selling Industry; https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/dssrc/dssrc_guidanceonearningsclaimsforthedirectsellingindustry_2020.pdf?sfvrsn=4ecfcd36_6