BBB NATIONAL PROGRAMS, INC.

The Direct Selling Self-Regulatory Council
Case Number 44-2021: – Monitoring Inquiry –
Product Type: Drugs/Health/Health Aids
Issues: Earnings Claims/Testimonials
Disposition: Referred to Government Agency

Company Description

ByDzyne (or the "Company") is a direct selling company that was founded in 2018 and which sells a variety of products that belong to different markets, such as the health and wellness, technology, beauty, and travel sectors.

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.

DSSRC identified the following representative earnings claims being disseminated on the Company website and by the Company's independent salesforce members on social media. DSSRC was concerned that the representative claims below communicate that ByDzyne independent salesforce members can typically earn significant income through the Company's business opportunity.

Earnings Claims

- "for a free webinar on how to achieve health, lifestyle, time and financial freedom."
- "HOME BASED BUSINESS"

Your Financial Freedom

- ✓ Your Freedom Connection
- No more trading your precious time for money
- Have time to enjoy your life with your family
- Live Life to the fullest and do what you love the most
- "and the benefit is, when your friends book, whatever they save, you earn, so if
 they save one thousand dollars, you just earned one thousand dollars in reward
 credits which you can turn that thousand dollars, one for one, that thousand
 dollar reward, you can turn into a thousand dollar amazon gift card. You can turn
 it into a thousand dollars to book for your flight."
- "Inviting everyone to our daily FREE webinar on How to achieve health, lifestyle, time and financial freedom."

- "No limit to how high you can climb"
- Image depicting free vacation opportunities to Mexico up to a \$2700 value and a free vacation in 26 countries up to a \$2450 value.



• "The money is coming.

The new home is coming.

The breakthrough is coming.

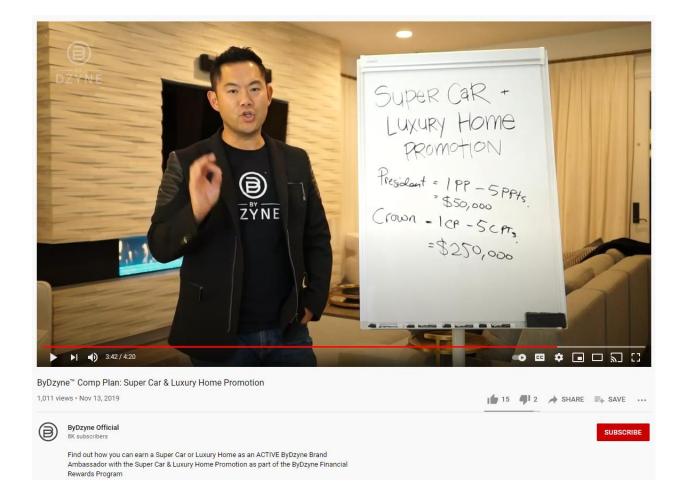
The new car is coming.

The good health is coming.

The financial freedom is coming.

And I can see it all happen here in ByDzyne."

- Video with multiple references of being able to earn between \$500,000 and \$1,000,000 per month. The video also states that salesforce members can earn a \$50,000 cash bonus for a car and a \$250,000 bonus to go towards aa house.
- Compensation plan video with unqualified claims about a \$50,000 car bonus and a \$250,000 house bonus.



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 ByDzyne on July 2, 2021. The Company was 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 ByDzyne on July 28, 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 claims remain active and accessible to the public.

Referral to Government

DSSRC determined that a number of aggressive income opportunity claims are being disseminated by ByDzyne on its Company website and by salesforce members on social media including, but not limited to, claims that ByDzyne presents an "unlimited income opportunity," that Company salesforce members can earn between \$500,000 and \$1,000,000 per month, unlimited income and that and that the business opportunity will provide "financial freedom." 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. 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 its advertising and marketing materials

Despite DSSRC exercising its due diligence in attempting to contact ByDzyne several times, the Company did not respond to the 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 ByDzyne's failure to respond to the self-regulatory inquiry, DSSRC referred this matter to the Federal Trade Commission.

(Case No. 44-2021 PCM, closed on 08/12/21) © 2021. BBB National Programs, Inc.

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See the DSSRC Guidance on Earnings Claims for the Direct Selling Industry; https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-