

BBB NATIONAL PROGRAMS

THE DIRECT SELLING SELF-REGULATORY COUNCIL

TRANONT

Case No. 75-2022

Filed July 7, 2022

MONITORING INQUIRY

I. Company Description

Tranont (or the “Company”) is a multi-level direct selling company based in Utah. Founded in 2013, the Company sells health and wellness products, including a line of CBD products.

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 and product performance claims disseminated by Company salesforce members. The representative claims that formed the basis of this inquiry were located on social media accounts of Company salesforce members. Those claims are set forth below:

A. Earnings Claims

- “My sweet friend messaged me and in her first 10 days has already surpassed her previous income”;
- “Tranont has this super cool Jeep program where they award a Jeep stipend at the very first rank... Who wants to drive a Jeep with me?”;
- “She just messaged me a few days ago and she’s already surpassed her previous income and today she just earned more”;
- “Two of my friends earned a Jeep in less than two weeks”;
- “This INCREDIBLE woman has not only replaced her former income in a matter of DAAAAYS but she just earned another 1000 bonus!”;

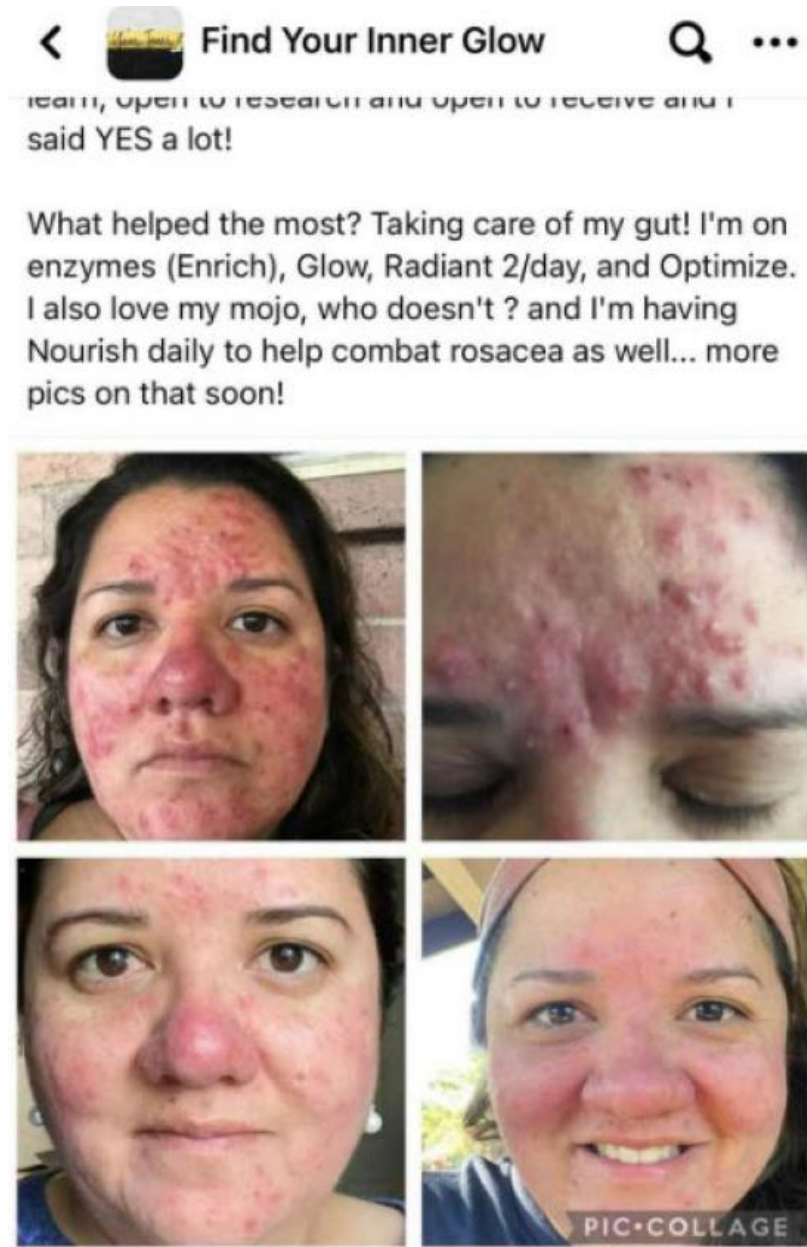
- “I thought that it would take a few months at least to get back to where I was income-wise. [#iwassowrong](#).”;
- “I made more than double my last month’s income with my previous company.”; “I’ve watched 2 of my personally sponsored girls earn a Jeep stipend and ridiculous business.”
- “In seven weeks with my new company, I’ve made over \$800, that’s right, higher than an an income that took me 3.5years to build (Like higher than my highest paycheck EVER) . And almost triple my last paycheck with my previous company.”
- “Me to Chrissy: Have you added up what you made so far? * nearly pass out when I see that number. What?” Chrissy: Yes and that’s not including last week’s check. That’s more than 4 times my last check.”
- “When my friend saw my excitement over the products, she showed me what I could make income-wise with Tranont. Y’ALL – IT WAS TRI[LE. Yes, triple. I was shocked. Could this be real? Too good to be true.”
- “Great products plus ridiculously generous pay (for real though ask me what I’ve made so far) and well, that’s why eeeeeverybody drivin’ a Jeep.”
- “Network marketing is an incredible industry that provides opportunity for people like me – stay at home moms with no marketing education and no degree to make ridiculous income from home. It’s a dream come true for this mama to have financial “freedom while snuggling my babies and looking, ahem, ...unkept.”
- “Being self-employed and independently wealthy never looked so good.”; “If you are curious, and want to knowhow I made a hefty 5 figures in just under 4 months, let me tell you how.”
- “I don’t think it hit me yet that I’m about to step into a FREE luxury vacation. And when I say FREE, I mean FREE. We are at an all inclusive resort, all food and drinks included. Our airfare was covered. And this place is niiiiice”

B. Product Performance Claims

- “... help people heal from things like vaccine injuries... to cancer...no kidding”
- “Eli has been dealing with pretty infrequent headaches for quite a while... we discovered not too long ago that the cause is a super mild case of scoliosis in his spine causing a compressed nerve in his neck. We do several things to help them, but I felt like we’d tried everything to kick them. So when two

drops of Sutte knocked it out in about 15 minutes, I nearly cried and flipped my lid at the same time. He's a believer now and will take his CBD daily."

- Before and After photographs of a product user who's rosacea has been treated and is clear



- "My bloat is gone; my constipation is normal; My mood is steady; my aches and pains are non-existent; My skin is looking firmer; I feel so mentally focused and not overwhelmed."

- “Several benefits of using a high quality CBD product: Anxiety/depression; Chronic pain; Autism/Epilepsy; Sleep issues; Menopause; Focus issues; Autoimmune.”



- “But when, like me, you aren’t feeling 100% because maybe what you’re doing isn’t working or impacting your health, I’ll steer you in the direction of something that hopefully will. Like yesterday when I recommended products (some outside of the ones I represent) to a girl with bladder concerns. Or last week when I recommended products (some outside the ones that I represent) for someone’s thyroid concerns. I do this all the time. Because while the

products I represent will help address these issues, there are other things that will help as well.”

- “Raynaud’s disease causes some areas of your body to feel numb and cold! In Raynaud’s disease smaller arteries that supply blood to your skin narrow, limiting blood circulation to affected areas (vasospasm). I had episodes like this almost daily. My doctor told me I’d need to be on a prescription blood pressure medication to stop this from happening! I did not want to do this because I don’t have a blood pressure problem. A friend of mine introduced me to techno boost that is supposed to improve circulatory functions!. Since I started taking it, I noticed big changes. I rarely experience episodes now and when I do, it normally happens on the day that I take the pill.”
- “I’ve been on pain meds for about 20 years. Its only been about 6 weeks now and the change is almost unbelievable and so glad I gave it a shot. God provides the natural resources that we need.”
- “What if I told you these TWO drops is all it took for my husband to get off anxiety medication.”
- “My blood pressure is lower than ever.”

DSSRC informed the Company of its concerns that the earnings claims at issue may be reasonably interpreted as conveying the message that potential salesforce members will typically earn significant income from participating in the Tranont business opportunity. Similarly, DSSRC expressed its concern to the Company that the product performance claims may be understood as communicating that Tranont products can help treat a number of serious health-related conditions.

III. Company’s Position

Upon receipt of DSSRC’s Notice of inquiry, Tranont immediately contacted DSSRC and explained that many of the social media posts at issue had already been removed and that the Company was working diligently to address the remaining posts and further educate the salesforce members involved. Tranont maintained that the claims disseminated by the salesforce members were not authorized by the Company and, as such, the Company did not attempt to substantiate the claims and agreed that such claims should be removed from circulation.

Tranont also explained that a majority of the posts identified by DSSRC originated from one Company salesforce member who has since removed each of the posts and subsequently went through re-training with Tranont’s compliance team.

With respect to the additional posts, the Company was able to contact twelve of the individuals responsible for the claims and have the posts completely removed. The remaining post was significantly modified to remove any express or implied messages that Tranont products can treat migraine headaches.

Tranont also informed DSSRC that in conjunction with the Company's ongoing education and internal monitoring and discipline efforts, it was in the process of increasing its monitoring capabilities to effectively identify and address future problematic posts.

IV. Analysis and Recommendation

DSSRC appreciated the good faith efforts of Tranont to contact the salesforce members responsible for the social media posts that were the subject of this inquiry which resulted in all but one of the posts being completely removed. The one remaining post was significantly modified to remove the health-related claim that was identified by DSSRC. DSSRC agreed that the Company's voluntary actions were necessary and appropriate.

As stated in section 9 of DSSRC's Guidance on Earnings Claims for the Direct Selling Industry, when evaluating express and implied messages from an earnings claim, DSSRC will review the totality of the claim including its words, images, and context in order to determine the "net impression" or the takeaway message conveyed to the audience.¹

In this inquiry, DSSRC determined that the subject earnings claims could be reasonably interpreted by consumers as meaning that they can expect to replace lost income and earn substantial income from the Tranont business opportunity. In the absence of substantiation that such results could be expected by the typical salesforce member of the Company, DSSRC determined that such claims were inappropriate and should be removed. DSSRC acknowledged the Company's efforts to contact the individuals responsible for the posts to address its concerns.

In addition, for purposes of a DSSRC inquiry, an earnings claim is any claim, express or implied, that conveys that salesforce members may earn or have earned company-sponsored incentives, including representations that suggest that the ability to make lifestyle purchases - including automobiles - that are related to income earned from direct selling.² DSSRC noted that several of the social media posts identified in this inquiry reference auto bonuses and DSSRC remained concerned that incentives such as a car bonus would not be generally expected or achievable by the typical Tranont salesforce member. As such, it was determined that the posts were inaccurate in the unqualified context presented. Accordingly, DSSRC appreciated the Company's good faith efforts to remove these posts and agreed that this action was necessary.

¹ https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/dssrc/dssrc_guidanceonearningsclaimsforthedirectsellingindustry.pdf.

² *Id* at 2(F).

With respect to the product claims at issue in this inquiry, DSSRC has noted in several previous inquiries³ that health-related claims must be supported by reliable and competent evidence, demonstrating that the product can perform as claimed. The Federal Trade Commission's ("FTC") standard of competent and reliable scientific evidence has been defined in FTC case law as "tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results."⁴

Lastly, with respect to the one social media post that was modified, while DSSRC appreciated the Company's voluntary action to have the reference to the product's ability to treat migraine headache removed, it remained concerned with the statement that the salesforce member "lost inches" as a result of using the product. The FTC's Gut Check: A Reference Guide for Media on Spotting False Weight Loss Claims cautions advertisers from communicating claims of "substantial weight loss' without diet and/or exercise and that "... advertisers can convey that 'substantial weight loss' message without using specific numbers. Substantial weight loss can be suggested by reference to dress size, inches, or body fat."⁵

In the absence of any evidence in the case record supporting a claim that the typical consumer will lose substantial weight (i.e., "lost inches") as a result of using the Company's product, DSSRC recommended that this post be further modified to remove reference to the salesforce member's weight loss claim.

Notwithstanding this recommendation, DSSRC closed its inquiry based upon Tranont's good faith actions to remove 33 of the 34 social media posts identified by DSSRC and its commitment to address the remaining weight-loss claim in the one modified post.

V. Conclusion

DSSRC appreciated the good faith efforts of Tranont to contact the salesforce members responsible for the social media posts and remove all but one post completely. DSSRC agreed that the Company's voluntary actions were necessary and appropriate. With respect to the one remaining post, DSSRC appreciated the Company's voluntary action to modify the post to have the reference to the product's ability to treat migraine headache removed but remained concerned with the statement that the salesforce member "lost inches" as a result of using the product. In the absence of any evidence in the case record supporting a claim that the typical

³ See DSSRC Case #63-2022 –Innov8tive Nutrition; DSSRC Case #68-2022 – Daxen, Inc.; DSSRC Case #69-2022 – Max International, LLC.

⁴ See, e.g. *Vital Basics, Inc.*, C-4107 (Consent April 26, 2004); see also *In Re Schering Corp.*, 118 F.T.C. 1030, 1123 (1994).

⁵ <https://www.ftc.gov/business-guidance/resources/gut-check-reference-guide-media-spotting-false-weight-loss-claims>

consumer will lose substantial weight (i.e., “lost inches”) as a result of using the Company’s product, DSSRC recommended that this post be further modified to remove reference to the salesforce member’s weight loss claim.

DSSRC closed its inquiry based upon Tranont’s good faith actions to remove 33 of the 34 social media posts identified by DSSRC along with its commitment to address the remaining weight-loss claim in the modified post.

(Case No. 75-2022, closed on July 8, 2022)

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