

BBB NATIONAL PROGRAMS

THE DIRECT SELLING SELF-REGULATORY COUNCIL

My Lala Leggings, Inc.

Case No. 89-2022

Filed 11/03/2022

MONITORING INQUIRY

I. Company Description

My Lala Leggings, Inc. (“Lala Leggings” or the “Company”) is a multi-level marketing company headquartered in Palmdale, CA and founded in 2014 that sells women’s clothing, specializing in leggings.

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 concerned nine earnings claims disseminated by Company salesforce members. The representative claims that formed the basis of this inquiry were communicated on Facebook and YouTube. Those claims are set forth below:

Earnings Claims

- “Take a peak at this business giving women the opportunity of financial freedom from the comfort of their own homes”
- “My Lala Bosses has given thousands of women the opportunity of financial freedom from the comfort of their own home.”¹
- “What are you doing this for? Whether it be for extra income so that you can stay home with your kids or to help pay for college.”

¹ This claim was disseminated by 4 different individuals on separate social media posts.

- “If you want to start making real money today then contact me and I will help you sign up and start your business!!! ☆you could pay earn extra money for your summer vacation, pay bills, or have extra spending money, maybe even save for that new car!!!!!!”
- “Whether for your discount, a way to supplement income or as your primary income. Did you know you can join for only \$10.00?”



Rustic Buttery-Soft Leggings and more
June 2, 2021 · 🌐

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Have you considered joining Lala Leggings? Whether for your discount, a way to supplement income or as your primary income. Did you know you can join for only \$10.00? Please let me know if you have any questions.
<https://www.mylalaleggings.com/#Rustic>

JOIN MY LA LA LEGGINGS

♥ FREE WEBSITE ♥

♥ 25% COMMISSIONS ♥

♥ PAID WEEKLY ♥

♥ NO MINIMUMS ♥

♥ 5% TEAM COMMISSIONS ♥

♥ \$5 REFERRAL BONUS ♥

♥ UP TO 40% PERSONAL DISCOUNT

LEGGINGS PACK 1

— 1 PAIR OF LEGGINGS

BOSS BABE PACK

— 10 LEGGINGS

Steps to Sign up a New Affiliate



Your New Sub Affiliate will need to purchase a Sign up kit when it's not a Free Sign up.



They have 4 different Sign up Kits to choose from. They will buy it and use for the sign up.



Once they get their email confirming their purchase, you will send them your Sign Up Sub Affiliate link from your back office. They need to fill that out with the order number to complete the second

Frequently Asked Questions

- *Payday is every Friday. Pay typically hits your Paypal account between 11AM and 1PM PST. There is a \$30 minimum and the cut off day is Wednesday at 9PM PST. If it's payday and you still didn't get your pay, please verify that you have confirmed your email account with PayPal.
- *Sneak Peeks are posted on Thursdays, typically between 4 to 7PM PST
- *If a particular legging pattern is gone, it means it has sold out. There's no guarantee that particular pattern will be restocked. Best to tell customers to get them when they see the ones they want, as they are limited stock.
- *If you see declined orders in your back office, they are double captures by the system to insure the order was captured and linked to your account. Look at the order number and you will see an approved one unless it was an order from a sub affiliate. We do not get commission on orders placed with the affiliate discount code. You can also change the setting to see only approved orders.
- *If you don't see an order or a sub affiliate right away when they are placed or sign up, remember it can take up to 24 hours and the office is closed on the weekends. You can also set your emails to send you that info right away.

- “Would you consider starting your own business this year? If you would like to learn more about selling these amazing products and earning extra (or a full time) income doing so, please let me know.”



III. **Company's Position**

The Company promptly responded to DSSRC's inquiry and took several steps to address the claims identified by DSSRC.

The Company informed DSSRC that almost all of the identified posts were disseminated more than three years ago and the individuals responsible for the posts are no longer affiliated with Lala Leggings.

The Company stated that it was able to facilitate removal of two of the posts at issue and attempted to contact the salesforce members responsible for the remaining posts. As a

demonstration of its efforts to address DSSRC's concerns, Lala Leggings provided copies of screen shots of the publicly accessible social media posts which included the Company's request (in the posted comments section of the social media post) that the post be removed ("... this post goes against company policy and guidelines for affiliates. We kindly request your help in deleting this post.").

Lala Leggings also noted that it has reached out to Facebook and YouTube to have the posts removed and provided screen shots to DSSRC that confirmed the platform received the Company's request to remove the posts.²

My Lala Leggings also reaffirmed its commitment to enhancing its training program of Company salesforce members and confirmed that it has begun working with a third-party service to provide monitoring oversight of the messages communicated by current and past salesforce members.

IV. Administrative Closure

DSSRC noted that this is the second inquiry it has commenced against Lala Leggings in 2022.³ Unlike the previous inquiry, all but one of the social media posts that were the subject of this inquiry were communicated prior to 2021. Notwithstanding the date of these posts, DSSRC concluded that it was incumbent on Lala Leggings to demonstrate that it is using its best efforts to address DSSRC's concerns regarding inaccurate claims pertaining to the amount of income that could be expected by the Company's business opportunity.

The Company was successful in removing one of several claims communicating that prospective salesforce members could expect to receive financial freedom from joining Lala Leggings, as well as the claim that the earnings from the business opportunity can serve as an individual's "primary income". DSSRC determined that the Company's removal of those posts and its good faith attempt to remove the remaining posts referencing "financial freedom," "full time income" and earning "real money" were necessary and appropriate.

As stated in DSSRC's Guidance on Earnings Claims for the Direct Selling Industry, while DSSRC will evaluate any claim based upon the context in which the claim appears and the potential net impression of such claim to the audience, some words and phrases commonly used in earnings claims can carry a particularly high risk of being misleading to consumers. Such words and phrases include claims such as "financial freedom," "full-time income," "replacement income," "residual income," and "career-level income." Furthermore, earnings claims must be substantiated and representative of a level of earnings that can be generally expected by the audience.⁴

² The platform notifications also indicated that a determination had not yet been made regarding the outcome of the Company's request.

³ See <https://bbbprograms.org/programs/all-programs/dssrc/ccd/case-70-2022-my-lala-leggings>.

⁴ See section 6 of the Direct Selling Self-Regulatory Council's Guidance on Earnings Claims for the Direct Selling Industry at <https://bbbprograms.org/programs/all-programs/dssrc>.

DSSRC also recognized that the social media posts at issue were all disseminated by salesforce members that are no longer affiliated with the Company. When a direct selling company such as Lala Leggings is made aware of an improper product or income claim that was made by an individual that was an active distributor when the claim was made but that has since become an inactive distributor of the company, DSSRC acknowledges that the direct selling company may not be able to require the former distributor to remove the claim. In that instance, DSSRC nonetheless recommends that the direct selling company make a bona fide, good faith effort to have the improper claim or post removed.⁵

Accordingly, DSSRC concluded that the Company's actions to: a) contact the inactive salesforce members responsible for the posts to request that the posts be removed and b) correspond with the social media platforms where the posts appear to inform them that the posts were unauthorized and request they be removed, demonstrated a bona fide good faith effort to address DSSRC's concerns.

DSSRC is encouraged that Lala Leggings is working with a third-party monitoring service to identify inaccurate claims disseminated by current and past sales force members and DSSRC will continue to monitor the Company's online marketing materials to ensure that the Company and its salesforce members are not mischaracterizing the company's business opportunity.

V. Conclusion

Based on the forgoing, DSSRC administratively closed this inquiry based upon Lala Leggings' bona fide, good faith efforts to have the improper claims removed.

(Case #88-2022, closed on 11/03/2022)

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⁵ MWR Life, LLC (Case #87-2022); Young Living Essential Oils, LLC (Case #13-2020) and Chalk Couture (Case #50-2021).