

BBB NATIONAL PROGRAMS

THE DIRECT SELLING SELF-REGULATORY COUNCIL

Daxen, Inc.

Case No. 68

Filed: April 4, 2022

MONITORING INQUIRY

I. Company Description

Daxen, Inc. (“Daxen, “DXN” or the “Company”) is a multi-level direct selling company located in Walnut, California. The Company’s product lines include dietary supplements, food and beverages, personal care products, skin care and cosmetics, household products, and a water treatment system.

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.

A. Product Claims

This inquiry concerns representative product claims disseminated by Company salesforce members via social media. DSSRC informed the Company of its concern that such claims may be reasonably interpreted as conveying an unsupported message that Daxen’s products are effective in addressing serious health-related conditions, including but not limited to COVID-19, Alzheimer’s, Dementia, Parkinson’s Disease, cancer and diabetes.

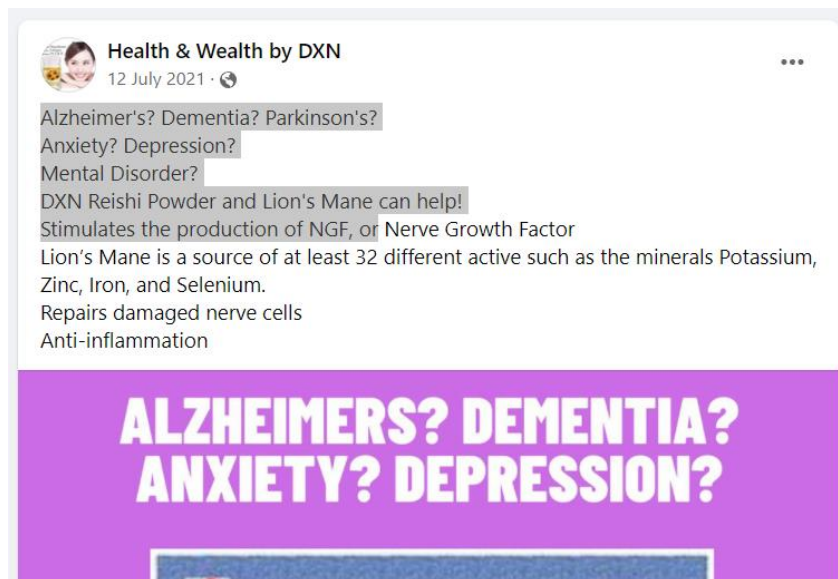
Those claims are set forth below:

- (Filipino-language) “**Arthritis or Rheumatism**

Arthritis or rheumatism or rheumatism arthritis is the inflammation of the joints the soreness and pain and stiffness of the joints or bones are the main symptoms of this disease where the pain worsens as a person gets older...”



- “Alzheimer? Dementia? Parkinson? Anxiety? Depression, Mental Disorder? DXN Reishi Powder and Lion’s Mane **can help**”



- “The first healthy coffee in the world if you take it, it improves your health If you recommend it, improve your pocket 11 powerful reasons to take DXN:
1. Covid-19 2. Diabetes 3. Cancer 4. Tumors 5. Cirrhosis 6. Gastritis 7. Improves vision 8. Alzheimer 9. Obesity 10. Rheumatism 11. Acne



III. Company's Position

Daxen did not dispute that the social media posts that DSSRC brought to its attention were inappropriate and a violation of its Policy & Procedures. The Company was responsive to DSSRC's inquiry and took immediate steps to address the claims at issue. Subsequently, Daxen contacted the salesforce members responsible for the posts and effectuated removal of all six social media posts.

IV. Analysis and Recommendation

A. Products Claims

It is well established that health-related claims must be supported by competent and reliable scientific evidence.¹ The FTC generally defines competent and reliable scientific evidence as: "test, 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."²

¹ VGH Solutions Inc. (Dr. Ho's Circulation Promoter), Report #6404, NAD/CARU Case Reports (September 2020); Molekule Inc. (Molekule MH1 Air Purifier), Report #6314, NAD/CARU Case Reports (October 2019); Triumph Pharmaceuticals Inc. (SmartMouth Dry Mouth Products), Report #6190, NAD/CARU Case Reports (June 2018); Good Health Naturally, LLC (Serranol Supplements), Report # 5441, NAD/CARU Case Reports (March 2012); Nature's Cure, Inc. (2 -Part Acne Treatment), Report #4797, NAD/CARU Case Reports (February 2008).

² FTC Guide, Dietary Supplements: An Advertising Guide for Industry, www.business.ftc.gov/documents/bus09-dietary-supplements-advertising-guide-industry;

Daxen recognized that the product claims at issue were not appropriate and did not attempt to provide evidence to support the claims.

DSSRC acknowledged Daxen's prompt actions to remove the six (6) Facebook posts claiming that the Company's products are effective in treating certain serious health-related conditions including COVID-19.

DSSRC determined the removal of such claims to be necessary and appropriate.

V. Conclusion

DSSRC recognized Daxen's bona fide efforts to remove the Facebook posts. Similarly, DSSRC expressed its appreciation for the Company's prompt action to eliminate claims communicating that Daxen products are efficacious in treating COVID-19 and other health-related conditions. DSSRC determined that the removal of such product performance claims was necessary and appropriate and will continue to monitor claims being disseminated by Daxen and its salesforce members and will commence a compliance inquiry with the Company should there be a determination that unsupported product performance continue to be disseminated by the Company or its salesforce members.

(Case No. 68-2022, closed on April 4, 2022)

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