#### **BBB NATIONAL PROGRAMS**

#### THE DIRECT SELLING SELF-REGULATORY COUNCIL

MY LALA LEGGINGS

Case 70 -2022 Filed 5/10/2022

### **MONITORING INQUIRY**

## I. Company Description

My Lala Leggings, Inc. ("the Company") is an affiliate-based marketing company for clothing. The Company was founded in 2014, and is headquartered in Palmdale, CA.

## 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's salesforce members. The representative claims that formed the initial basis of this inquiry were located on Facebook, including the claims set forth below:

 "Make your own hours and be your own Boss. Whether you're looking to bring home some extra income or grow a substantial business My Lala offer you the ability to reach your goals! Join the My Lala Family, benefits include but are not limited to: 25% personal discount Up to 40% off Bulk Purchasing Options 25% commission on personal sales \$5 Personally referred affiliate sign up bonus 5% Commission from 1st tier team sales, when you build a team!"



Becoming a My Lala Affiliate is easy, do you love leggings? Do you know people that love leggings? Then My Lala might be right for you! Make your own hours and be your own Boss. Whether you're looking to bring home some extra income or grow a substantial business My Lala offers you the ability to reach your goals!

No sales minimums or quotas to meet!

Our management team is dedicated to the growth and expansion of not only our business but YOURS! Our shipping is FAST and ACCOUNTABLE. We understand you are building a business with us and we are here to keep your customers happy! We work around the clock to streamline the process so you can focus on your own personal growth!

We provide the consistent planning and implementation of new ideas to keep the Lala Brand fresh. Our affiliates are bosses like no other and contribute to the success and growth of My Lala in so many ways. We truly are an ever-growing family!

We are fully staffed and stocked. We do not promote items that we do not have in current stock, so our order processing times are fast! No ability to keep a full stock? No problem we will ship directly to your customers, this makes online sales a breeze! With proven products, generous discounts and great support, the question of whether to become a Lala Boss is easy to answer! Join Us Today!

Join the My Lala Family, benefits include but are not limited to:

25% personal discount

Up to 40% off Bulk Purchasing Options

25% commission on personal sales

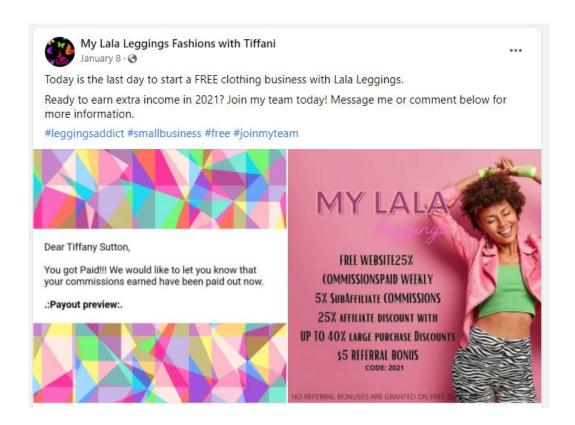
\$5 Personally referred affiliate sign up bonus

5% Commission from 1st tier team sales, when you build a team!

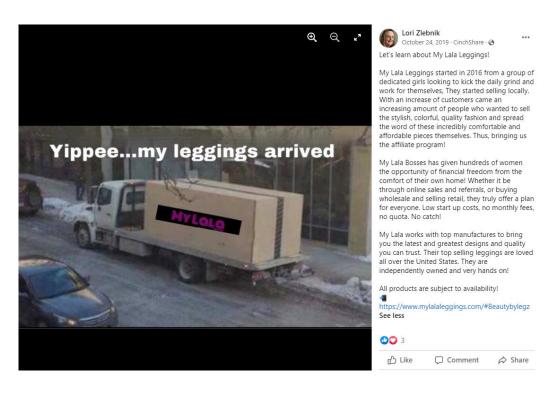
https://www.mylalaleggings.com/collections/affiliate



"Ready to earn extra income in 2021? Join my team today!"



 "My Lala Bosses has given hundreds of women of financial freedom from the comfort of their own home! Whether it be through online sales and referrals, or buying wholesale and selling retail, they truly offer a plan for everyone. Low start up costs, no monthly fees, no quota. No catch!"





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Check out these cute cute leggings from My Lala Leggings site! We have heard a little about Leggging Army so now let me give some background on this amazing little company.

#### About Us

Starting in 2016 from a group of dedicated girls looking to kick the daily grind and work for themselves, My Lala Leggings started selling locally. With an increase of customers came an increasing amount of people who wanted to sell the stylish, colorful, quality fashion and spread the word of these incredibly comfortable and affordable pieces themselves. Thus, bringing us the affiliate program!

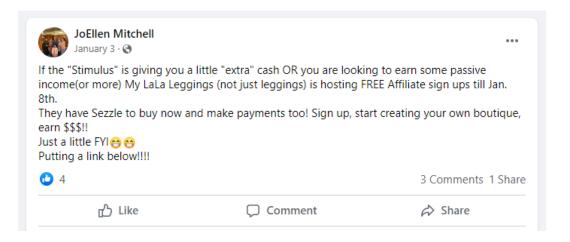
My Lala Bosses has given hundreds of women the opportunity of financial freedom from the comfort of their own home! Whether it be through online sales and referrals, or buying wholesale and selling retail, we truly offer a plan for everyone. Low start up costs, no monthly fees, no quota. No catch!

Here at My Lala we work with top manufactures to bring you the latest and greatest designs and quality you can trust. Our top selling leggings are loved all over the United States. We are independently owned and very hands on! Our DIY attitude and loyalty is extended to all of our customers and My Lala Bosses. It is that same loyalty and support that we receive from our customers and affiliates that we appreciated so much. From our individual retail customers to our amazing affiliates that have decided to link arms with us, many of you have become an extension of our family.

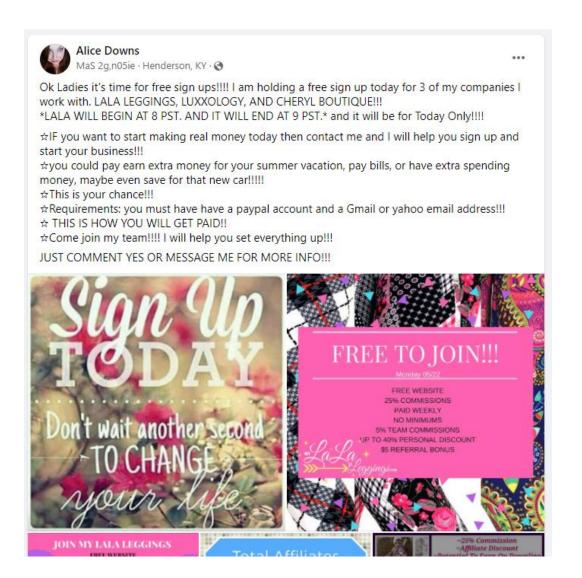
Now that you know about My Lala Leggings, if you have any questions don't be afraid to ask! If you are looking to join us here at My Lala we would be ever so happy to have you! Sign up today and join the My Lala Boss family! JOIN My Lala today for as low as \$10.00!! Wow!!!!



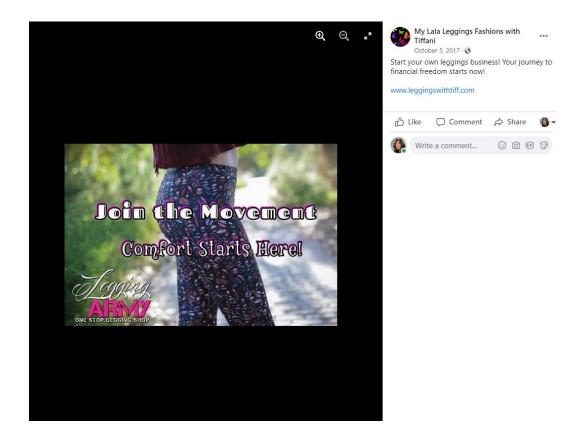
 "If the 'Stimulus' is giving you a little 'extra' cash OR you are looking to earn some passive income (or come) My Lala Leggings (not just leggings) is hosting FREE Affiliate sign ups till Jan. 8<sup>th</sup> Sign up, start creating your own boutique, earn \$\$\$!!"



- "\*Do you want to or from home? \*Spend more tie with your family? \*Have financial freedom? \*Be your own boss and work your own hours? If you answered 'YES' to any of these questions, then consider joining my team today! Join the My Lala Family, benefits include but are not limited to: \* 25% personal discount \* Up to 40% off Bulk Purchasing Options \* 25% commission on personal sales \* \$5 Personally referred affiliate sign up bonus \* 5% Commission from 1st tier team sales, when you build a team! \* PSV over 500 28% personal commissions \* PSV over 1000 30% personal commissions \* PSV over 2000 30% personal commissions. Added 3% 2nd tier team commissions \* Behind the scenes knowledge of upcoming SALES and NEW DESIGNS \*\*(PSV-Personal Sales Volume)\*\* \$10 to join (or \$2.50 today with Sezzle!)"
- "Could you use an extra \$100, \$200, \$500 a month to pay bills or get ready for the holidays? Sure who couldn't. Do you post on Facebook and Instagram daily? Do you like not having to worry about inventory, shipping or starting fees? Well then you came to the right place! This weekend is free to enroll with Lala leggings. That's right, no inventory, no shipping and post office runs, simply just posting online from friends to see."
- "This (for me) is not a steady income, but it is very much contributing income. This has paid bills, bought birthdays, filled gas tanks, bough groceries, and it's been minimal effort. If I wanted to put out the effort and be more social, I could definitely make a lot more."
- "☆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!!!!! ☆This is your chance!!!"



 "Start your own leggings business! Your journey to financial freedom starts now!"



- "Good morning ladies!!! Hope everyone is well and safe. Like myself there are so many families quarantined at home and starting to go a little stir crazy. Like myself there is little wiggle room for extras you would normally indulge in. Well My Lala Leggings is excited to offer people the opportunity to earn some extra play money. My Lala Leggings has free sign ups with us. Yes FREE SIGNUPS!!!! It's a great way to earn some extra money at home in your pajamas. Everything is done on line and you don't have to have physical contact with anyone. This offer ends today April 27, 2020 at 11:59 pm!!! So take advantage of this fantastic offer."
- "Every interaction you give to small business helps them get their business out there to new customers. It helps the single parents get ballet shoes or cleats for their kids, helps families to pay bills and buy groceries, it helps more than you know!"

DSSRC informed the Company of its concern that such claims may communicate the message that the typical salesforce member of the Company can earn significant, career level and/or replacement income through the Company's business opportunity.

### III. Company's Position

The Company promptly responded to DSSRC's inquiry and took several steps to address the claims at issue as discussed below.

The Company contacted the salesforce members that had disseminated the posts at issue and requested the immediate removal of the identified posts. In addition, My Lala Leggings expressed its commitment to strengthening its training program and communicated to DSSRC that it would review its training of Company salesforce members. My Lala Leggings also stated that it began implementation of a monitoring program to ensure that problems do not occur in the future.

The Company informed DSSRC that it could not remove all of the posts solely by contacting the salesforce members and took the additional step to contact Facebook and request that the posts be removed by identifying them as "unauthorized spam." To date, Facebook has not removed the posts in question.

## IV. Analysis and Recommendation

DSSRC appreciated My Lala Legging's good faith actions to attempt to remove the earnings claims that were disseminated on Facebook. DSSRC determined that the removal of such claims was necessary and appropriate.

Nevertheless, seven posts remain active on Facebook despite the Company's efforts to contact the individuals responsible for the posts to have such posts removed.

As stated in section 9 of the 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. Moreover, in determining the implied claims that a reasonable person may interpret from an advertisement, including social media posts, and other earnings claims appearing in any other medium, DSSRC will look not only at an isolated word or claim but will also consider the images and language that accompany the claim (e.g., hashtags), or are disseminated on the same social media account.<sup>2</sup>

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See Section 9 of the Direct Selling Self-Regulatory Council Guidance on Earnings Claims for the Direct Selling Industry at <a href="https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/dssrc/dssrc\_guidanceonearningsclaimsforthedirectsellingindustry\_2020.pdf?sfvrsn=4ecfcd36\_6.">https://bbbnp-bbbp-stf-use1-01.s3.amazonaws.com/docs/default-source/dssrc/dssrc\_guidanceonearningsclaimsforthedirectsellingindustry\_2020.pdf?sfvrsn=4ecfcd36\_6.</a>

Supra, Section 10.

In this inquiry, DSSRC determined that the earnings claims communicated in the social media posts could be reasonably interpreted by consumers as meaning that the typical salesforce member can expect to earn substantial income from the My Lala Legging business opportunity. In the absence of substantiation that such results could be generally expected by the typical salesforce member of the Company, DSSRC recommended that these and any similar earnings claims be discountinued.

The Company did not dispute that such claims should be removed and DSSRC ackowledged the Company's efforts to contact the individuals responsible for the posts to have such posts removed. DSSRC recognized the Company's efforts to contact Facebook and request that the posts be removed as "unauthorized spam." In addition, DSSRC recommends that the Company utilize Facebook's reporting mechanism for intellectual property violations.

### V. Conclusion

DSSRC acknowledged the Company's success in effectuating removal of 11 Facebook posts making earnings claims and determined the removal of such claims to be necessary and appropriate. DSSRC also acknowledged My Lala Legging's good faith actions to request the removal of the posts, increase its training of its affiliates, and implement a monitoring program.

With respect to the seven remaining posts, DSSRC acknowledged the Company's bona fide good faith effort to have such posts removed by contacting the salesforce members responsible for the posts and its request to Facebook that the posts be removed as "unauthorized spam." In addition, DSSRC recommended that the Company utilize the social media platform's reporting mechanism for intellectual property violations. DSSRC will continue to monitor the messages being disseminated by the Company's salesforce members on social media.

# VI. Company Statement

My Lala Legging agrees to the follow up action plan proposed by the DSSRC.

(Case #70-2022 HJS, closed on 5/10/2022) © 2022 BBB National Programs