
Plexus compliance

Laura Smith <lsmith@truthinadvertising.org>
To: Josh Weiss

Thu, Feb 2, 2017 at 11:15 AM

Josh:

Fran Silverman forwarded me your email as it pertains to Plexus' compliance program. We applaud the efforts that Plexus is making to educate its distributors, and increase its compliance and monitoring efforts.

That said, I would urge the company to hold itself to the same standards that it is asking of its distributors. Specifically, I am referring to the 85 Plexus Diamond Documentaries that can be found on the company's YouTube page -- <https://www.youtube.com/user/RealPlexusWorldwide/videos>.

These "documentaries," which feature representations that participants are, among other things, set for life, quitting their jobs, making more money than they ever thought possible, realizing financial freedom, becoming stay-at-home parents, together with images of expensive homes, luxury cars, and exotic vacations, clearly make express and implied income claims that the FTC has expressly indicated violate the law. See, e.g., https://www.ftc.gov/system/files/documents/public_statements/993473/ramirez_-_dsa_speech_10-25-16.pdf, <https://www.ftc.gov/system/files/documents/cases/160725herbalifeorder.pdf>, and <https://www.ftc.gov/news-events/blogs/business-blog/2017/01/redress-checks-compliance-checks-lessons-ftcs-herbalife>.

Moreover, it is highly unlikely that the net impression of the income representations presently being made in these "documentaries" can be remedied with a disclosure – let alone a tiny print disclosure flashed on the screen for a few seconds that tells consumers to go find an out-of-date, convoluted income disclosure somewhere on the internet.

In the interest of full disclosure, you should know, if you haven't already heard, that at the MLM presentation that our Executive Director Bonnie Patten recently gave, she showed a compilation of these Plexus videos as examples of misleading income claims. (You can see this video here: <https://youtu.be/kpiB-rcfWXo>.) And we can assure you that we will continue to highlight these misleading videos until they are taken down or capture the attention of regulatory authorities.

Finally, I agree with you that even despite best efforts, there will always be individuals that fail to follow the law. However, there is absolutely no excuse for a company such as Plexus to ignore the law.

Sincerely,

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