

APRIL 30TH, MAY 1ST 2021

Multilevel Marketing: *A Consumer Protection Challenge*

The conference brings together expertise from among regulators, prosecutors, former MLM distributors, social media consumer advocates, researchers, educators, and journalists to discuss ways to improve consumer protection and reduce consumer harm within the multi-level marketing (MLM) industry.

This is a webinar format with opportunities for attendees to ask questions

Why a conference on consumer protection in the MLM industry?

The successful prosecution of allegedly legal MLM companies operating illegal pyramid schemes and other regulatory actions against the MLM model in practice continues unabated, raising consumer protection concerns on a global scale. A groundswell of grassroots consumer advocates, often driven by former MLM participants, illustrates consumer frustration with the continued victimization of friends and family (See Page 5 and 6).

Hosted by:



TCNJ THE COLLEGE OF
NEW JERSEY

Schedule Friday April 30th

Times in EST

8:50	Welcome (10 min)
9:00 - 9:30	Keynote (30 min)
9:30 - 11:00	Session #1 (80 min + 10 min Q&A = 90 min)
11:00 - 11:10	Break (10 min)
11:10 - 12:40	Session #2 (65 min + 15 min Q&A = 90 min)
12:40 - 1:15	Lunch
1:15 - 2:35	Session #3 (65 min + 15 min Q&A = 80 min)
2:35 - 2:45	Break (10 min)
2:45 - 4:05	Session #4 (60 min + 15 min Q&A = 80 min)
4:05 - 4:15	Adjourn with mention of Saturday schedule

WELCOME

William Keep
Kathryn Jervis, Dean, TCNJ School of Business
Douglas M. Brooks

KEYNOTE

FTC Commissioner Noah Phillips

SESSION #1: REGULATORY PERSPECTIVES: AN INTERNATIONAL PANEL

Moderator: William Keep, PhD (The College of New Jersey)
Andrew Smith (former, Federal Trade Commission, USA)
Gabriella Muscolo (Competition Authority, Italy)
Paul Hanna (Competition and Consumer Protection Commission, Ireland)
Russell Jutlah (Competition Bureau, Canada)

SESSION #2: FEDERAL AND STATE ENFORCEMENT PERSPECTIVES

Moderator: Douglas M. Brooks (attorney)
Peter Vander Nat, PhD (Federal Trade Commission, retired)
Kathleen "Kathi" Daffan (Federal Trade Commission)
Joseph Kanada (Office of the Attorney General, State of Washington)
Ben Brysacz (Office of the Attorney General, State of Washington)
Jacob Gilbert (Office of the Attorney General, State of Illinois)

Schedule Friday April 30th cont.

SESSION #3:
ACADEMIC
PANEL ON
MLM
RESEARCH

Moderator, Máire O Sullivan, PhD (Munster Technological University)
Stacie Bosley, PhD (Hamline University)
Claudia Gross, PhD (Radboud Universiteit)
Heidi Liu, PhD (University of Pennsylvania)
Andrew Stivers, PhD (Federal Trade Commission)

SESSION #4:
JOURNALIST
AND SOCIAL
MEDIA
CONTENT
CREATORS

Moderator, Sarah Casteel (social media and law student)
Casey Bond (Huffington Post)
Jane Marie (The Dream podcast; formerly National Public Radio)
Liz Day (The New York Times; formerly, HBO's Last Week Tonight)
Lisette Voytko (Forbes)

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Schedule Saturday May 1st

9:00	Welcome (5 min)
9:05 - 10:30	Session #5 (70 min + 15 min Q&A = 85 min)
10:30 - 10:40	Break (10 min)
10:40 - 12:05	Session #6 (70 min + 15 min Q&A = 85 min)
12:05 - 12:35	Lunch
12:35 - 2:00	Session #7 (70 min + 25 min Q&A = 85 min)
2:00 - 2:10	Break (10 mins)
2:10 - 3:35	Session #8 (70 min + 15 min Q&A = 85 min)
3:35 - 3:45	Wrap up and next steps

SESSION #5: WHAT IS MLM?

Moderator, Peter Vander Nat, PhD (Federal Trade Commission, retired)
Robert L. Fitzpatrick (author and consumer advocate)
Bruce Craig (Office of the Attorney General, State of Wisconsin, retired)
D. Anthony Miles, PhD (author and marketing consultant)

SESSION #6: HOW DO MLMS RECRUIT AND RETAIN PARTICIPANTS?

Moderator, Douglas M. Brooks (attorney)
Steven Hassan, PhD (consultant and author)
Eric Scheibeler (author, former Amway Emerald distributor)
Elizabeth Villagomez, PhD (consultant and researcher)
Máire O Sullivan, PhD (Munster Technological University)

SESSION #7: HOW DO MLMS SILENCE CRITICS?

Moderator, William Keep, PhD (The College of New Jersey)
Peter Skolnik (attorney)
Joshua Koltun (attorney)
Alanda Carter (social media content creator)

SESSION #8: PRODUCT AND EARNING CLAIMS, AND THE TRUE NUMBERS

Moderator, Robert L. Fitzpatrick (author and consumer advocate)
Hannah Martin (writer, Talented Ladies Club)
Laura Smith (general counsel, Truth in Advertising)
Stephen Barrett, MD (consumer advocate, Quackwatch)

Examples of Federal and States Actions Against MLM Companies

Fortune Hi-Tech Marketing

“The operators of a Kentucky-based pyramid scheme, which enrolled more than 350,000 consumers throughout the United States, Puerto Rico and Canada in the last four years, have been banned from multi-level marketing under a settlement with the Federal Trade Commission and the states of Illinois, Kentucky and North Carolina.” (U.S. Federal Trade Commission, 2014)

BurnLounge

“In practice, the rewards BurnLounge paid for package sales were not tied to the consumer demand for the merchandise in the packages” (United States Ninth District Court, 2014)

*Vemma**

“The AGCM found that Vemma was acting as a pyramid scheme by encouraging recruitment as the primary means of profit, rather than product sales.” (Italian Competition Authority, Autorità Garante della Concorrenza e del Mercato (AGCM), 2014)

“We are also alleging that Vemma is an illegal pyramid scheme.” (U.S. Federal Trade Commission, 2015)

*Herbalife**

“Herbalife is going to have to start operating legitimately, making only truthful claims about how much money its members are likely to make, and it will have to compensate consumers for the losses they have suffered as a result of what we charge are unfair and deceptive practices.” (U.S. Federal Trade Commission, 2016)

*Advocare**

“AdvoCare business model was pyramid scheme” (U.S. Federal Trade Commission, 2019)

Success By Health

“A federal court granted the Federal Trade Commission’s request to temporarily shut down an alleged pyramid scheme known as “Success By Health,” and to freeze the assets of the company and its executives.” (U.S. Federal Trade Commission, 2019)

LuLaRoe

“LuLaRoe tricked Washingtonians into buying into its pyramid scheme with deceptive claims and false promises” (Attorney General, State of Washington, 2021)

*Member, Direct Selling Association

Examples of Grassroots Consumer Advocacy

AntiMLM Weekly Roundup (Apple Podcasts)

The Antimlm Podcast (PlayerFM)

The AntiMLM Coalition

r/antiMLM "Stop MLM schemes from draining your friends dry." (Reddit)

Monica Hayworth's Anti MLM Group (Facebook)

The Dream Podcast (Stitcher)

The Recovering Hunbot (YouTube)

With thanks to our hosts

