

Explaining Your MLM Company to the Public: Answering the Hard Questions

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In explaining itself to the public, press and regulators, every direct selling/network marketing company (and its distributors) should aim to describe the Company and its marketing program in the tradition of legitimacy.

If asked, the public explanation of the Company would preferably (and truthfully) be as follows:

1. The Company finds itself as a member of a well-established industry or channel of distribution, direct selling/network marketing... an industry with millions of individuals involved, selling billions and billions of consumer products.
2. The Company has scrupulously avoided all of the abusive elements of pyramid schemes, such as: phony, over-priced product, front-loading of inventory, big cash investments, earnings misrepresentations, headhunting fees, leaving distributors stranded with large amounts of inventory, etc.
3. Instead the Company finds itself in the mainstream of the long-established direct selling/network marketing industry by offering a legitimate business opportunity with many recognized salutary features:
 - a. Highest quality life-changing products which stand on their own in the marketplace.
 - b. Pricing that is clearly competitive in the skincare industry.
 - c. The only distributor entry requirement is the purchase of an “at cost” sales kit.
 - d. Distributors purchase product as it is needed. There is no mandate of purchases and there certainly is no front-end loading of inventory.
 - e. Company product does not sit in closets or garages. It is effective and it gets used by consumers and they buy more because it is highly valued.
 - f. The Company has adopted an industry-recognized standard policy to repurchase inventory from distributors who wish to leave the business.
 - g. All of the emphasis of the Company marketing program is to establish a substantial base of retail customers, including a specific distributor award program for acquisition of retail customers who commit to recurring monthly purchase of products.

- h. The Company has produced, what is arguably the finest product, packaging and marketing materials in the direct selling/network marketing industry.
- i. The Company only pays commissions on product sales... nothing else.
- j. The Company prohibits "pie in the sky" earnings claims and hypothetical potential earnings representations.
- k. The Company's training materials, online and offline, as well as its live training, are at the forefront of the direct selling/network marketing industry.

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Jeffrey Babener
On Assignment

On any given day you can catch [Jeffrey Babener](#) lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many DSA companies.

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