

Distributor Training – Two Common Questions

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Why there are Consumer Protection Laws and how they Affect Distributors

Millions of individuals who are going into network marketing are doing so part time. Generally, they are amateurs. They are not professional sales people. They are not manufacturer's representatives. They are not going to be employed by the company, and therefore, they are viewed as the vulnerable purchasers of an opportunity. And that's why the opportunity, the business, is regulated by consumer protection statutes; to protect the distributor, the amateur, who is about to be involved in a business.

Making Unauthorized Medical Claims and the FDA – Why Distributors Cannot Make Unauthorized Medical Claims

This product can be used for cancer. Or, use this for Alzheimer's disease. Use this for fibromyalgia. Use this for your skin cancer. When this sort of claim is made, particularly in an anecdotal way and particularly with pictures of shrunken tumors and the like, the distributors who are making these claims are endangering the franchise of the company. And, they're endangering the livelihood of all the other distributors who are selling the product.

Earnings claims and unauthorized product claims that have been made by distributors in the past and have threatened the business opportunities of both the company and its distributors. Many government agencies hold the company responsible for the statements of its distributors and at the very least expect the company to regulate such advertising.

Expert MLM Attorney Jeff Babener has just released a new video titled [Unauthorized Medical Claims and FDA Issues](#). In the video, which took place at an MLM company compliance training event, Attorney Babener discussed the harm that can come from distributors who make unauthorized medical claims about the products that they sell.

Unauthorized medical claims, such as selling a product based on its ability to "cure cancer" is harmful to customers, the company and other distributors. Mr. Babener discusses the FDA's perspective and the ramifications of making false claims, one of which is bringing harm to oneself and others. [Watch this video](#) to learn what claims you can and cannot make about the products you sell.



For additional information on the FDA and product statements, read the following articles, “[FDA Health Claims: The Final Rules](#)” and “[FDA and Health Claims](#).” Also, the video [What is the relationship between MLM and the FDA?](#) offers more information about direct selling and the FDA.

Or, the following blog posts:

[If I’m an independent contractor, why are there rules regarding my conduct?](#)

[MLM and the FDA](#)

[What Differentiates a Legitimate Direct Selling/Network Marketing Company from an Illegal Pyramid Scheme?](#)

[New Video – Unauthorized Medical Claims and FDA Issues](#)

[PR: The Direct Selling Association Responds to Questions about the Purchase of Products by Direct Salespeople](#)

[Explaining Your MLM Company to the Public: Answering the Hard Questions](#)

[Why do companies restrict the type of advertising carried on by their distributors?](#)

And, visit www.mlmllegal.com for a plethora of information on the MLM, network marketing, direct selling industry.

The next *Starting and Running the Successful MLM Company Conference* is quickly approaching! On February 21st and 22nd, 2013 we are hosting the [MLM Conference](#) for the 25th year! This is now our 63rd annual conference (held almost consistently three times per year over the last 24 years). All executives/owners of MLM, direct selling, network marketing, and party plan companies are welcome to attend. This is the *original MLM Startup Conference*, hosted and perfected by direct selling industry expert, [MLM Attorney Jeff Babener](#). Call 503-226-6600 or 800-231-2162 to register. Ask Charity how to get a discount! (Can’t make this event? Keep an eye out for our May and October conferences as well.)

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Welcome to MLM Legal - a valuable resource to the Multi-Level Marketing and Direct Sales Industry. Use this site to review interesting articles about this high growth industry. Keep current with the law and how it is affecting large and small companies throughout the United States. MLM Legal is sponsored by Jeffrey Babener of [Babener and Associates](#).



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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