

## TO SAY OR NOT TO SAY

We have experienced tremendous growth in our sales and the number of independent distributors who are now part of our direct marketing network. With our increasing numbers, it is more important than ever to ensure that you only make claims that comply with applicable law and our policies regarding our products and your financial success as an independent distributor.

These laws can be very complex, and violating them could negatively affect your business opportunity. For that reason, we have created this guide to help you know what claims you can properly make. Making impermissible claims regarding our products or potential earnings may result in disciplinary actions against you, including the termination of your distributorship.

### Q: Where in the Policy and Procedure can we find a discussion of acceptable claims?

A: Section 8.10 of the Policies and Procedures is entitled “Unauthorized Claims and Actions” addresses permissible and impermissible claims. Specifically, Section 8.10.2 outlines what “Product Claims” an Independent Distributor cannot make. It states:

“No claims, which include personal testimonials, as to therapeutic, curative or beneficial properties of any products offered by LifeVantage may be made except those contained in official LifeVantage materials. In particular, no Independent Distributor may make any claim that LifeVantage products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or signs or symptoms of disease. Not only are such claims violations of LifeVantage policies, but they potentially violate federal and state laws and regulations, including the Federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

## Product Claims

### Protandim - Dietary Supplement

Protandim is a dietary supplement. **It is not a drug.** A dietary supplement is a product that is meant to support or provide assistance to a function of the body. It is not permissible to make claims that Protandim diagnoses, cures, treats, or prevents a disease or health condition. It is permissible to make “structure/function” claims regarding Protandim. A structure/function claim is a claim that a product “helps, supports, contributes” to the body or function of the body. Examples of permissible structure/function claims are that a product “helps build strong bones,” “supports antioxidant defenses,” or that a product “may contribute to the maintenance of bone health.”

### Q: What if a study about oxidative stress supports more than a structure/function claim?

A: You cannot use claims that are beyond structure/function in the promotion or advertising of Protandim even if a study appears to support that claim. For example, a recent study discusses how the right chamber of the heart becomes severely stressed under the condition of pulmonary artery hypertension. The arteries going from the heart to the lungs also narrow, creating much resistance. In the study, Protandim almost completely prevented damage to the right heart. Although the information is accurate, the claims go beyond structure/function, and we cannot use these claims when promoting Protandim because Protandim is a dietary supplement and not a drug.

An independent distributor can mention, however, Protandim is the subject of multiple studies and refer potential customers to [bigbluecalendar.com](http://bigbluecalendar.com) or [pubmed.gov](http://pubmed.gov) to view those studies in their entirety.

An independent distributor may also provide a printout of an entire study to potential customers. The content of these studies must not be part of the presentation/promotion of Protandim. It is very important that you provide the studies in their entirety. It is inappropriate to provide an abstract or summary of any study.

**Q: What claims can be used in advertising/promoting Protandim?**

**A:** Our marketing materials, website and brochures contain permissible claims. Independent distributors can only make claims that we have provided in our marketing materials, website and brochures or, under certain circumstances, have otherwise approved in writing in advance. An independent distributor runs the risk of making an impermissible claim if he or she uses claims other than the claims that appear in our marketing materials. Below is a list of some unacceptable and corresponding acceptable claims:

☹ Unacceptable Claims:	☺ Acceptable Claims:
Protandim works 100% of the time.	Unlike conventional antioxidants, Protandim works by boosting your body’s production of an entire network of antioxidant enzymes, including Superoxide Dismutase (SOD) and Catalase. These endogenous antioxidant enzymes are infinitely more effective in reducing free radicals.
Protandim works in all mammals 100% of the time.	Protandim is proven to lower oxidative stress.
Protandim works in all mammals.	Protandim increased SOD by 30% and Catalase by 54%.
Oxidative stress is linked to many diseases and even cancer!	Oxidative stress is being studied and there are currently more than 100,000 published papers on oxidative stress and its effects on our bodies.
Protandim can fight 1 million free radicals per second, every second.	Protandim can fight 1 million free radicals per day.  Taking Protandim increases the enzymes in your body that can eliminate 1,000,000 free radicals per second every second.
Protandim is proven to lower oxidative stress by 40-70% or 40-80%	Protandim is proven to lower oxidative stress by an average of 40% over 30 days.
I had a (disease, condition, health problem) and after taking Protandim for 30 days, I was “cured” “no longer had problems”	I have been taking Protandim and I have/feel like I have more energy, vigor, and that my general wellness/well-being has improved.

Please note, however, that these or other claims regarding Protandim must be accompanied with the following FDA disclaimer:

**These statements have not been evaluated by the Food and Drug Administration.  
This product is not intended to diagnose, treat, cure, or prevent any disease.**

## TrueScience - Cosmetic

TrueScience is a cosmetic. A cosmetic is a product that improves the personal appearance or beauty, or that modifies the look of a person. A cosmetic cannot change a person's physical attributes. It is important to only use promotional material we have provided as your guide in making cosmetic claims.

☹️ Unacceptable Claims:	😊 Acceptable Claims:
It gets rid of wrinkles!!	TrueScience reduces the appearance of fine lines and wrinkles.
It reduced my wrinkles!!!	TrueScience smooths visible fine lines and crow's feet.
TrueScience helps in wound healing.	TrueScience hydrates and moisturizes the skin.
TrueScience renews/boosts collagen in the skin.	TrueScience protects the skin from free radical damage.
TrueScience slows down the aging process.	TrueScience promotes an even skin tone and makes skin look radiant and vibrant.

### Q: Can I create my own advertising materials?

**A:** Any Pro 7 and above, can submit their advertising materials, which may include flyers, handouts and websites, to the Compliance Department for review by emailing such materials to [advertising@lifevantage.com](mailto:advertising@lifevantage.com). Independent distributors who have not achieved a Pro 7 level may only use our marketing materials. Therefore, there is no need to submit their custom advertising materials for review.

Please allow 7-10 business days for our review. You must also submit your advertising by sending an e-mail to: [advertising@lifevantage.com](mailto:advertising@lifevantage.com).

Please remember that any independent distributor using websites, advertising, or other material we have not approved will be subject to disciplinary action.

## Income Claims

### Q: What kind of income claims are permissible?

**A:** At this time, we do not have the data necessary to provide accurate documentation to potential independent distributors regarding income potential of being an independent distributor. Therefore, independent distributors cannot make income projections, income claims or show checks they have received.

☹️ Unacceptable Claims:	😊 Acceptable Claims:
I made \$XXX last year.	I used to live paycheck to paycheck. LifeVantage has given me financial freedom.
Look at my check, you too can be making \$XX each month.	I have been able to turn LifeVantage into my full-time business.
I can't tell you what I am making, let's just say that my tax rate has increased.	Being an independent distributor has provided me additional income.
Look at my bank statement before I started LifeVantage and this is what my bank account shows now.	Becoming a distributor and making additional income was one of the best decisions that I made.
I can't tell you all the toys that I now can buy with my residual income from LifeVantage. So, let me show you (pictures of boat, RV, etc.).	Being a distributor has given me financial freedom. I now have more financial choices.

## **Q: Are hypothetical claims relating to income potential acceptable?**

**A:** Hypothetical claims can only be used to illustrate how our compensation plan pays. Any hypothetical claims must be accompanied with a statement that the claims are only examples and are not guarantees or promises that the potential independent distributor can make that amount of money.

The following are examples of acceptable hypothetical claims that may be used to illustrate how our compensation plan works:

### **Retailing**

“Retailing is important as you find those prospects that want to try the product, but are not interested in the business opportunity. They buy the product at wholesale and sell it at retail. The difference is their profit. Example: They buy Protandim at \$30 and sell it for \$40. Their profit is \$10.”

### **Personal Rebate (paid monthly)**

“The personal rebate is easy to understand. You will receive a personal rebate for all PV in excess of 200 PV. For example, if the total of your personal purchases and those of your retail customers is 300 PV, you will receive a personal rebate of \$10 or 10% of the 100 PV that exceeded the threshold 200 PV.”

### **The Fast Start Bonus (paid weekly) and Fast Start Bonus Pool (paid monthly)**

“The Fast Start Bonus and Fast Start Bonus Pool can help you set achievable goals and pay you an easy to understand commission as you begin to build your organization.”

“As you can see with the Fast Start Bonus Pool, your goal should be to enroll either 5 new Distributors who purchase the Vantage Pack or 5 new Preferred Customers who also sign up for \$100 PV Autoship. If you do this then you earn 1 (one) share in the Bonus Pool. The Bonus Pool is made up of all of the revenue generated from product purchased by the new enrollees in any given month. Each LifeVantage Independent Distributor with at least one share participates in the pool with you. (You can also earn more than one share by signing up 10 or 15 people that purchase the same amount of product and so on). The Fast Start Bonus Pool is paid out monthly.”

“As for the Fast Start Bonus, if you are on autoship and have \$200 PV or above and those you enroll also sign up for autoship, you can earn up to 40% on their product purchases. Example: Your new Enrollee purchases a \$630 Vantage Pack (\$400 PV). You make 40% of \$400 or \$160, and it is paid out weekly!”



“Again, the Fast Start Bonus and Pool are especially popular with those just beginning the business. They need to make money while their organization grows large enough to pay them larger checks through the Unilevel Commission and other bonuses and pools in the Compensation Plan.”

## **Signing Up New Distributors**

It is important when signing up new distributors that you do not “build the business” for them. As a mentor to your downline, you are expected to teach new distributors the tools to build their business. However, you cannot build people’s downline for them or make representations that you will provide customers or distributors for them. Any violations of this may create a “business opportunity” under FTC guidelines and cause the company to provide additional disclosures.

## Purchasing Stock

Many of our independent distributors and customers are excited about our growth and would like to purchase our stock. Purchasing and selling our stock should be done with caution due to the potential violation of securities laws, including laws relating to insider trading. Securities laws can also be violated by providing a tip to a third party (such as a family member or friend) that they should purchase or sell our stock. Violating securities laws is a criminal offense that can be punished by significant fines and/or prison time.

 Unacceptable Claims:	 Acceptable Claims:
If you knew what I knew, you wouldn't wait one more minute to buy stock!	LifeVantage is a publically traded company that trades under the stock symbol LFVN. For more information about how to purchase stock, please contact your stock broker.
Everyone should be buying stock in LifeVantage. Let me tell you how to do it!	LifeVantage is now traded on NASDAQ.
I tell everyone in my downline that I expect them to buy stock in LifeVantage.	

## In Conclusion

We know that every independent distributor is working hard to build their business and wants to be compliant. We welcome any questions about acceptable claims or any other concerns. Please send any questions or concerns to [compliance@lifevantage.com](mailto:compliance@lifevantage.com).

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