

# EXHIBIT 1

1 DAVID C. SHONKA  
2 Acting General Counsel  
3 JANET AMMERMAN  
4 CA Bar No. 113996; jammerman1@ftc.gov  
5 CHRISTINE M. TODARO  
6 OH Bar No. 0084976; ctodaro@ftc.gov  
7 DANIEL O. HANKS  
8 DC Bar No. 495823; dhanks@ftc.gov  
9 600 Pennsylvania Ave. NW, CC-8528  
10 Washington, D.C. 20580  
11 Tel: (202) 326-2222 / Fax: (202) 326-3395  
12 LAURA SOLIS  
13 WA Bar No. 36005; lsolis@ftc.gov  
14 915 Second Ave., Suite 2896, Seattle, WA 98174  
15 Tel: (206) 220-4544 / Fax: (206) 220-6366  
16  
17 Local Counsel  
18 BARBARA CHUN  
19 CA Bar No. 186907; bchun@ftc.gov  
20 Federal Trade Commission  
21 10877 Wilshire Blvd., Suite 700  
22 Los Angeles, CA 90024  
23 Tel: (310) 824-4343 / Fax: (310) 824-4380  
24  
25 Attorneys for Plaintiff  
26 Federal Trade Commission  
27  
28

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

HERBALIFE INTERNATIONAL OF  
AMERICA, INC., a corporation,

Case No. 2:16-cv-05217

**COMPLAINT FOR  
PERMANENT INJUNCTION  
AND OTHER EQUITABLE  
RELIEF**



1 HERBALIFE INTERNATIONAL,  
2 INC., a corporation, and  
3 HERBALIFE LTD., a corporation,  
4  
5 Defendants.

6  
7 Plaintiff, the Federal Trade Commission (“FTC” or “the Commission”), for  
8 its Complaint alleges:

9 1. The FTC brings this action under Section 13(b) of the Federal Trade  
10 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain permanent injunctive  
11 relief, rescission or reformation of contracts, restitution, the refund of monies paid,  
12 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts  
13 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in  
14 connection with the advertising, marketing, promotion, and sale of a multi-level  
15 marketing business opportunity.

16 **JURISDICTION AND VENUE**

17 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C.  
18 §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

19 3. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(2) and  
20 (c)(2) and 15 U.S.C. § 53(b).

21 **PLAINTIFF**

22 4. The FTC is an independent agency of the United States Government  
23 created by statute. 15 U.S.C. §§ 41–58.

24 5. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),  
25 which prohibits unfair or deceptive acts or practices in or affecting commerce.

26 6. The FTC is authorized to initiate federal district court proceedings, by  
27 its own designated attorneys, to enjoin violations of the FTC Act and to secure  
28 such equitable relief as may be appropriate in each case, including rescission or

1 reformation of contracts, restitution, the refund of monies paid, and the  
2 disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

3 **DEFENDANTS**

4 7. Defendant Herbalife International of America, Inc. is a Nevada  
5 corporation with its principal place of business at 800 W. Olympic Boulevard, Los  
6 Angeles, California. Defendant Herbalife International of America, Inc. is a  
7 wholly-owned subsidiary of Herbalife International, Inc. and an indirectly wholly-  
8 owned subsidiary of Herbalife Ltd., and is employed by those entities to conduct  
9 their U.S. operations. Herbalife International of America, Inc. transacts or has  
10 transacted business in this district and throughout the United States.

11 8. Defendant Herbalife International, Inc. is a Nevada corporation with  
12 its principal place of business at 800 W. Olympic Boulevard, Los Angeles,  
13 California. Herbalife International, Inc. is an indirect wholly-owned subsidiary of  
14 Herbalife Ltd. Herbalife Ltd. employs Herbalife International, Inc. to manage its  
15 global marketing company. Herbalife International, Inc. transacts or has transacted  
16 business in this district and throughout the United States.

17 9. Defendant Herbalife Ltd. is a corporation organized under the laws of  
18 the Cayman Islands with its principal place of business at P.O. Box 309GT,  
19 Ugland House, South Church Street, Grand Cayman, Cayman Islands. Herbalife  
20 Ltd. transacts or has transacted business in this district and throughout the United  
21 States.

22 10. This Complaint refers to Herbalife International of America, Inc.,  
23 Herbalife International, Inc., and Herbalife Ltd. collectively as “Herbalife” or  
24 “Defendants.”

25 11. At all times material to this Complaint, acting alone or in concert with  
26 others, Defendants have advertised, marketed, distributed, or sold the business  
27 opportunity at issue in this Complaint to consumers throughout the United States.  
28

## **COMMON ENTERPRISE**

12. Defendants have operated as a common enterprise while engaging in the deceptive and unlawful acts and practices alleged herein. Defendants have conducted the business practices described below through interrelated companies that have common ownership, officers, directors, and office locations. Because Defendants have operated as a common enterprise, each entity is jointly and severally liable for the acts and practices alleged below.

## **COMMERCE**

13. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

## **DEFENDANTS’ BUSINESS PRACTICES**

14. Defendants promote Herbalife as a multi-level marketing business opportunity through which participants may earn compensation by selling weight management, nutritional supplement, and personal care products and by recruiting new participants into the organization.

15. Individuals who participate in Defendants’ business opportunity are called “Distributors” (also referred to herein as “participants”). In 2013, Defendants began calling participants “Members” rather than “Distributors.” The change in terminology, however, was not accompanied by any substantive change to the nature of the business opportunity available to Herbalife participants.

16. Defendants represent, expressly or by implication, that Herbalife Distributors are likely to earn substantial income, including significant full-time or part-time income, from pursuing a retail-based business opportunity.

17. In reality, however, Defendants’ program does not offer participants a viable retail-based business opportunity. Defendants’ compensation program incentivizes not retail sales, but the recruiting of additional participants who will fuel the enterprise by making wholesale purchases of product.

1           18. The retail sale of Herbalife product is not profitable or is so  
2 insufficiently profitable that any retail sales tend only to mitigate the costs to  
3 participate in the Herbalife business opportunity.

4           19. As a consequence, the small minority of Distributors who receive  
5 substantial income through Herbalife are primarily compensated for successfully  
6 recruiting large numbers of business opportunity participants who purchase  
7 Herbalife product.

8           20. The overwhelming majority of Herbalife Distributors who pursue the  
9 business opportunity make little or no money, and a substantial percentage lose  
10 money.

11           **Defendants' Promotional and Marketing Activities Are Misleading**

12           21. Defendants promote their business opportunity in both English and  
13 Spanish through a variety of channels, including videos, live presentations, and  
14 print materials. Through each of these channels, Defendants represent, expressly  
15 or by implication, that consumers who become Herbalife Distributors are likely to  
16 earn substantial income, including significant full-time or part-time income by  
17 purchasing and re-selling Herbalife products.

18           22. In some but not all instances, Defendants accompany their misleading  
19 income representations with purported "disclaimers." These purported  
20 disclaimers, which often appear in small print, do not alter the net impression  
21 created by Defendants' misleading representations, namely, that Distributors are  
22 likely to earn substantial income. (See, for example, the graphic illustration at  
23 Paragraph 37, which contains the following disclaimer: "Incomes applicable to the  
24 individuals (or examples) depicted and not average. For average financial  
25 performance data, see the Statement of Average Gross Compensation of U.S.  
26 Supervisors at Herbalife.com and MyHerbalife.com.")

27           23. As in the example at Paragraph 37, Defendants' purported disclaimers  
28 typically reference a separate document, the "Statement of Average Gross

1 Compensation,” that supposedly presents “realistic expectations of the possible  
2 income you can earn.” The Statement of Average Gross Compensation does not  
3 provide clarity or realistic expectations, but instead obfuscates through a dense  
4 maze of verbiage and numbers. Neither the reference to nor the Statement of  
5 Average Gross Compensation itself alters the net impression created by  
6 Defendants’ misleading representations.

7 ***Misleading Income Representations***

8 24. Defendants use videos to promote their business, making them  
9 available to Distributors through Herbalife’s websites, including myherbalife.com  
10 and video.herbalife.com. Defendants have at times also included videos in the  
11 starter packs that all new Distributors must purchase. Many of the videos are  
12 disseminated in both English and Spanish.

13 25. Defendants’ videos include representations that Distributors are likely  
14 to earn substantial income through Defendants’ business opportunity; images of  
15 expensive houses, luxury automobiles, and exotic vacations; and income  
16 testimonials.

17 26. For example, a promotional video available through February 2016 on  
18 myherbalife.com portrays a “Mini-HOM (Herbalife Opportunity Meeting)” at  
19 which various Herbalife Distributors take turns giving income testimonials. The  
20 video includes the following income representations:

- 21 a. I made \$4,100 my second month. . . . And I retired from  
22 corporate America. . . . Last month it was \$7,300.
- 23 b. I average an extra \$1,500 a month part-time, around a 60-hour  
24 workweek [working in corporate finance], so you can really  
25 build this around whatever you’re doing.
- 26 c. I’ve been a coach on the team for a year and a half. . . . Fast  
27 forward maybe a year and five months later, that’s when I hit  
28 six figures in the company. . . . Couple of months later, I make

1 over \$13,000 a month now.

- 2 d. My income ended up getting to \$4,000 a month, part time, at  
3 Herbalife. . . . It's been five years, my income got up to  
4 \$10,000 a month a couple years ago. It's more than double that  
5 now.

6 27. Another video, "Design Your Life," was included in every new  
7 Distributor's starter pack until January 2013 and was available on  
8 video.herbalife.com until October 2014. Because Defendants intended the "Design  
9 Your Life" video to be given to potential recruits, ten copies of the DVD were  
10 included in the starter pack. In addition to images of expensive cars and opulent  
11 mansions the video includes the following testimonials:

- 12 a. About a year and a half into the business, still part-time, I was  
13 making \$2,500 a month.
- 14 b. First month in the business, without having a clue . . . first  
15 month it was unbelievable, actually, our income was \$1,500.
- 16 c. A year exactly after I started the business, my checks that  
17 month were \$5,468.28. Two months later my check went up to  
18 \$7,080—and that was the month I went on vacation, and came  
19 back, and got that \$7,000 check! So, it's been amazing.
- 20 d. You know, the royalties grew five times in five months, and last  
21 month, we hit about \$16,000.
- 22 e. When I got to ten thousand, I thought, well that wasn't so hard  
23 after all, maybe I can get to fifteen, and I went from fifteen, to  
24 twenty, and then to thirty, and then even up to forty thousand  
25 dollars a month.
- 26 f. The first nine months of really getting going, I had made a  
27 quarter of a million dollars.

28 28. The "Design Your Life" video also includes the following:

1 There are basically three types of people Herbalife is looking for.

2 What you need to do next is get back to the person who gave you this  
3 video and let them know what you are. Just tell them A, B, or C . . .

4 Category A is someone who might be saying . . . I don't need any  
5 extra income but the products sound great . . . I want to get started on  
6 the products right away.

7 Category B is someone who might be saying, you know, the products  
8 sound great, and I'd like to start a small business to earn an extra \$500  
9 to \$1,500 a month part-time . . . .

10 Category C, you might be saying, wow, everything sounds great. I  
11 like the products and would like to start a big business that could  
12 generate a career level income or more. \$2,500 to \$10,000 a  
13 month. . . .

14 You make the choice. Are you A, B or C?

15 29. In addition, from at least January 2009 through August 2013, a DVD  
16 called "Getting Started" was included in the starter packs that all Distributors must  
17 purchase. The most recent version of "Getting Started" included the testimonials  
18 of Distributors "Glenn" and "Jennifer":

19 a. Glenn explains that he was a bartender, "broke" and "struggling  
20 to pay [his] bills," before becoming an Herbalife Distributor.

21 Although he "didn't have any formal education" or "any  
22 business background," he quickly succeeded with Herbalife and  
23 was able to make enough money to quit his job and work full-  
24 time as an Herbalife Distributor. Now "I'm able to live in a  
25 beautiful home, drive whatever I want, and there's nothing else  
26 I'd rather do than work from home, be able to set my own  
27 schedule, and be my own boss."

28 b. Before Herbalife, Jennifer wanted to be a stay-at-home mom for



1 her son. However, she had to put her son in daycare and work  
2 long hours while her husband worked eighty-hour weeks. After  
3 just four months as an Herbalife Distributor, she “went full-  
4 time, took [her] son out of daycare, and [] became that stay-at-  
5 home mom.” Today, she and her husband are both stay-at-  
6 home parents, “we travel the world, we have a six-figure  
7 income, and this company and the products have totally  
8 changed my life.”

9 30. Defendants also sponsor numerous events for Distributors in both  
10 English and Spanish. Many of these events include live presentations at which  
11 speakers boast about the high incomes they earn as Herbalife Distributors. These  
12 events have names such as “Extravanzas,” “Leadership Development  
13 Weekends,” and “Success Training Seminars.”

14 31. Defendants strongly encourage Distributors to attend these events,  
15 which often require Distributors to pay an attendance fee and/or purchase a  
16 minimum amount of product from Herbalife. Defendants craft the agendas and  
17 select the speakers who present at these events. Speakers are usually chosen from  
18 among the very small percentage of Herbalife participants who have reached the  
19 highest status levels of the Herbalife organization. The presentations made by the  
20 selected top Distributors repeatedly emphasize that Distributors are likely to earn  
21 substantial income through Herbalife, and that Distributors’ income potential is  
22 limited only by their own efforts.

23 32. For example, speakers giving live presentations at Defendants’ events  
24 have made the following statements:

- 25 a. [H]ow many of you would like to make at least a million  
26 dollars a year in income? I gotta tell ya, every extra million  
27 dollars, I find, comes in handy. OK? You know? Then you  
28 get 2 million, 5 million, you know, and with the increases of



1 20%, 25%—

2 Even now, you can put into your mind—like, if you made a  
3 hundred thousand dollars last year, and your income went up  
4 proportionately, an extra twenty thousand dollars? That’s  
5 pretty cool, huh? Couple thousand a month? You make five  
6 hundred thousand dollars, would an extra hundred thousand  
7 dollars come in handy? And we’re gonna go through how to  
8 make it happen.

9 [Herbalife Chairman’s Club member John Tartol, 2012  
10 President’s Summit, Los Angeles]

11 b. . . . I can remember when I was new, and I didn’t know  
12 anything, I didn’t know anybody, didn’t have any sales or  
13 marketing experience, I didn’t know, how was I ever gonna get  
14 successful? . . .

15 And make no mistake about it, ’cause it happened for me, I’m  
16 living proof that it can happen, and all the people down here in  
17 this floor here, and the people behind you, all of us are, you  
18 know—I’m a multi-millionaire, but, you know, all of us are  
19 getting groomed to become multi-millionaires. That is an  
20 awesome opportunity.

21 Now, you can take advantage of it, or you may only want to  
22 make sixty thousand, a hundred thousand, a couple hundred  
23 thousand.

24 [Herbalife Founder’s Circle member Geri Cvitanovich, 2010  
25 Herbalife Extravaganza, Los Angeles]

26 c. [translated from Spanish] It has been 15 years since we arrived  
27 here in the United States searching for the American  
28 Dream . . . . In ’95, we came from Mexico to the United

1 States . . . . I lasted 7 years in a cleaning company, 7 years  
2 earning \$2,000 a month. We started the business doing it part  
3 time, the income started coming, it was something incredible,  
4 our lifestyle started to change spectacularly. . . . In the last  
5 three months the company has paid us more than \$45,000.  
6 Welcome to Herbalife!

7 [Raul Sánchez, Herbalife President's Team member, 2009  
8 Herbalife Extravaganza Latina, Atlanta]

9 33. In addition to the spoken content, the live presentations at Defendants'  
10 events often involve images of expensive houses, luxury automobiles, and exotic  
11 vacations.

12 34. Defendants have recorded many of the live presentations given at  
13 Defendants' sponsored events and have formally integrated the presentations into  
14 their own resources, making the recordings available to Distributors through  
15 Herbalife's websites, including myherbalife.com and video.herbalife.com.

16 35. Like Defendants' videos and sponsored-events, Defendants' print  
17 publications include representations that Distributors are likely to earn substantial  
18 income through Defendants' business opportunity.

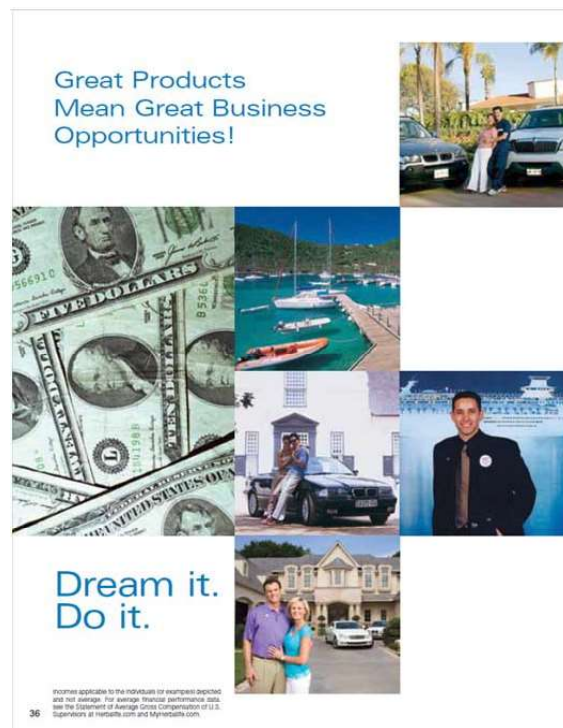
19 36. Defendants' print publications include, for example, "Your Business  
20 Basics," which is available in both English and Spanish and is provided to all new  
21 Distributors. From 2014 through at least December 2015, "Your Business Basics"  
22 included the following representations:

- 23 a. Earn extra money each month. \ Be your own boss. \ Have the  
24 time and money to enjoy the finer things in life.
- 25 b. Regardless of your background and job experience, you can  
26 succeed because we have people just like you who started  
27 where you are and are now earning substantial incomes.
- 28 c. Your income and lifestyle potential with Herbalife are yours to

determine. Thousands of others like you have achieved success with Herbalife. You can do it!

- d. From nutrition to the business opportunity, you'll see there's no limit to your personal or financial potential, and others just like you have tapped into this incredible opportunity.

37. The "Presentation Book" is another of Defendants' publications that is available in both English and Spanish and that is provided to all new Distributors. It is designed to be shown to potential recruits. The English-language version of the Presentation Book that was included in the starter pack from 2012 through 2014 stated that Herbalife offers "[t]he opportunity to earn more than you ever thought possible and make your dreams come true!" That publication, a page of which is shown below, included pictures of big houses, fancy cars, cash, and boats alongside the text "Great Products Mean Great Business Opportunities! Dream it. Do it."



38. Other versions of the Presentation Book have also included Distributor income testimonials:

1 a. . . . I started my Herbalife business with the goal of quitting my  
2 job as a collection specialist within a year. Just 13 months  
3 later, I realized that dream! . . . And with my \$6,500-a-month  
4 income, we've been able to move into a new house and  
5 renovate.

6 b. Now, while earning \$25,000 a month with Herbalife, I get to do  
7 all the things I love: play music and ride my motorcycle!

8 c. We went from bankruptcy to being set for life!

9 39. From 2012 through 2013, the Spanish-language version of  
10 Presentation Book offered similar income testimonials (translated here into  
11 English):

12 a. The days when I would earn a living cleaning houses are behind  
13 me because now we are fully dedicated to our prosperous  
14 Herbalife business.

15 b. When we worked in factories our earnings could only pay for  
16 basic needs, but now we can take our 12 grandkids on  
17 vacations. These are the best years of our lives.

18 c. Before Herbalife I worked on a ranch tending cattle, but when  
19 my sister showed me her royalty check she convinced me then  
20 and there. Today, at 22 years old, I'm economically  
21 independent.

22 d. We figured out that if we worked hard with our independent  
23 Herbalife business, we could achieve anything: health, wealth,  
24 and financial liberty. And that's exactly what we've done!

25 40. Similar representations regularly appear in the Defendants' magazine,  
26 "Herbalife Today," which is available in both English and Spanish and is provided  
27 online to Distributors through myherbalife.com. The March 2013 issue of  
28 "Herbalife Today," for example, includes the following testimonials:

- a. Now I have the freedom to do what I like. I can travel the world and help others change their lives wherever I go.
- b. Today, as Independent Distributors, they're able to work from home, take vacations and have a flexible schedule.
- c. Now, Dan and Orlyn feel they have found financial stability and take pride in helping others find better nutrition and financial success.

41. To help Distributors recruit new participants, Defendants have provided Distributors with several tools and training materials, including the videos and print materials discussed above. Defendants encourage Distributors to use these materials in attempting to recruit new participants.

***Misleading Representations Regarding Income from Retail Sales***

42. Many of Defendants' representations that Herbalife participants are likely to earn substantial income expressly or impliedly represent that Herbalife participants earn significant full-time or part-time income from selling Herbalife products at retail.

43. Defendants' promotional materials often focus on the growth of the weight-loss industry as a result of the worldwide "obesity epidemic," and claim or imply that this industry growth translates into the potential for making large amounts of money from the retail sale of Herbalife weight management products. For example, the "Ready To Go" video, available through February 2016 on video.herbalife.com, begins by portraying a bleak picture of the current state of the economy ("rising unemployment," "layoffs," "salary reductions," "reduced benefits") and urges the viewer to "take control of your . . . situation / financial future / life" and "join the emerging megatrend of wellness." The video cites estimates that the global weight loss market will reach \$672 billion by 2015 and explains, "[t]hat spells growth / opportunity / the answer you've been looking for." The video makes the following invitation: "Get in on the opportunity / the health

1 and wellness megatrend / the premier nutrition and wellness company in the world.  
2 Get in on Herbalife.”

3 44. In 2013, Defendants created and made available to Distributors a  
4 PowerPoint presentation to show prospective and newly-recruited Distributors.  
5 The presentation, which was still in use in 2015, claims that “total revenue in the  
6 fitness industry reached \$21.8 billion in 2012,” and that “statistics show a rise in  
7 consumer spending for body image concerns.” The presentation goes on to portray  
8 Herbalife as “the brand leader” in the meal replacement category, noting that in  
9 2012 the company had “over \$6.4 billion [in] suggested retail sales.” The  
10 presentation claims that through offering “great products” and a “great business,”  
11 Herbalife “allows you to earn Member discounts and profits instantly by retailing  
12 products.”

13 45. Similarly, the “Getting Started” video mentioned above at Paragraph  
14 29, which was included in the starter pack for new Distributors from at least  
15 January 2009 through August 2013, claims that the 3 trillion dollar weight-loss  
16 industry “has surpassed the GNP of all major European countries.” The video goes  
17 on to claim that Herbalife, “with more than 2.5 billion dollars in sales generated by  
18 a team of over one million distributors throughout the world,” is a leader in this  
19 industry, which “has become the newest financial powerhouse in the world.”  
20 Herbalife is described as a “great business opportunity”: “You have the  
21 opportunity for financial independence and freedom; you can do it with helping  
22 people change their lives, by getting them in a better nutritional mode, by getting  
23 them healthier.”

24 46. The “Mini-HOM (Herbalife Opportunity Meeting)” promotional  
25 video available through February 2016 on myherbalife.com presents testimonials  
26 that expressly or impliedly represent the full-time or part-time income that  
27 participants earn from selling Herbalife products at retail, by emphasizing how  
28 much money participants can make immediately (presumably before they have



1 had a chance to build an organization that would generate recruiting-reward  
2 payments):

3 a. In my first three weeks, I made an extra \$1,200 around my full-  
4 time nursing schedule. So this is really part-time, doing this  
5 super part-time, and I just saw the potential with this . . . .

6 b. I started as a client, I was actually the CFO of an entertainment  
7 finance company . . . . So, you know, had the career down . . . .  
8 Went to a volleyball tournament that I was already gonna play  
9 in. Everyone on the beach, you guys, was like, what are you  
10 doing, you look better than you did when you were at UCLA,  
11 like, hook me up, like, help me, basically!

12 . . . You know, my three days on the beach at a beach  
13 volleyball tournament, I made \$2,100. And I wasn't actively  
14 looking for extra money, but I wasn't gonna give it back.

15 c. [I]n my first month, I made an extra 500 bucks around . . . a  
16 crazy corporate job.

17 47. In the "Design Your Life" video, available on video.herbalife.com  
18 until October 2014, one of the speakers states that Herbalife's "great consumable  
19 products that people want and need [are] why we have an incredible financial  
20 opportunity." A speaker later states that as an "Herbalife Distributor you can  
21 develop a successful retail base to help put money in your pocket every day and  
22 every month." A voiceover additionally states that "[w]ith just ten customers, each  
23 spending a hundred dollars a month, you can take in a thousand dollars in retail  
24 sales, and make up to \$420 in profit."

25 48. The "Design Your Life" video also presents numerous testimonials  
26 that expressly or impliedly represent the full-time or part-time income that  
27 participants earn from selling Herbalife products at retail:

28 a. My first week in the business, part-time, just learning what to

1 do, I earned \$1,000! . . . [M]y first month, part-time, I earned  
2 over \$5,000!

3 b. I earned \$420 in my first ten days. . . . working this business  
4 part-time. I was able to fire my boss, and I've never had a real  
5 boss since.

6 c. When I got started on these products, I got such great results  
7 that I made a thousand extra dollars my first month. . . . And so  
8 I kept working my business part-time . . . while I was still  
9 [working as a nurse] full-time . . .

10 d. When I got started, my first day I actually earned \$420 . . . .

11 e. [I]n the month of August I had retail sales of \$3,700.

12 49. Print materials included in the starter packs that all new Distributors  
13 must purchase also portray an opportunity to earn significant income through retail  
14 sales of Herbalife products. For example, from 2014 through at least December  
15 2015, the "Sales & Marketing Plan and Business Rules" book, which is included in  
16 the starter pack for new Distributors, discussed the opportunity for Distributors to  
17 make "Immediate Retail Profit" from direct sales to customers and states that  
18 retailing is an important "key to success" as an Herbalife Distributor.

19 50. From 2014 through at least December 2015, the book "Building Your  
20 Business," which is also included in the starter pack for new Distributors,  
21 represented that "a satisfied customer base can provide you with regular, long-term  
22 income."

23 51. Similarly, through at least December 2015, a pamphlet that is also  
24 included in the starter pack for new Distributors, "Your First 72 Hours: Making  
25 Your First Sale," provides instruction on "making your first sale in 5 easy steps."

26 **Defendants Do Not Offer a Viable Retail-Based Business Opportunity**

27 52. Although Defendants represent, expressly or impliedly, that  
28 Distributors will be able to sell Herbalife products at a profit, Defendants do not



1 track either the existence or profitability of Distributor attempts to retail Herbalife  
2 products.

3 53. The overwhelming majority of Herbalife Distributors who pursue the  
4 business opportunity do not make anything approaching full-time or even part-time  
5 minimum wage because the promised retail sales to customers simply are not there.

6 54. Even according to Defendants' own survey, sales to customers outside  
7 the Herbalife network account for only 39% of Herbalife's product sales each year;  
8 the remaining approximately 60% is simply Herbalife selling to its own  
9 Distributors. [Herbalife Press Release, July 22, 2014]

10 55. Analysis of Defendants' own Distributor purchase data shows that,  
11 even under favorable assumptions about Distributors' market reach and sales price,  
12 the overwhelming majority of Herbalife Distributors who pursue the business  
13 opportunity make little or no money from retail sales. Under these assumptions,  
14 and assuming no costs other than an individual's total payments to Herbalife, half  
15 of Distributors whom the Defendants designate as "Sales Leaders"<sup>1</sup> average less  
16 than \$5 per month in net profit from retail alone, and half of these Distributors lose  
17 money.<sup>2</sup>

18 56. As a direct-selling company, Defendants encourage Distributors to  
19 sell product face-to-face to family and friends, and to customers with whom they  
20 are supposed to develop personal relationships. Distributors are taught to follow  
21 three key steps in retailing the product: use the product themselves, wear a button  
22

---

23 <sup>1</sup> "Sales Leaders" are defined by Defendants as Distributors who have reached  
24 status levels of "Supervisor" and above. Approximately \$3,000 in product  
25 purchases are required to reach the lowest level of "Sales Leader." "Sales  
26 Leaders" may purchase products from the Defendants at a 50% discount, which is  
27 the largest discount available to Distributors. See ¶¶ 111–18.

28 <sup>2</sup> This figure is based on analysis of Distributors who joined in 2009–11 and were  
designated as "Sales Leaders." It assumes that they sold 75% of the product they  
purchased, at the full suggested retail price, and incurred no expenses other than  
the monies they paid to Herbalife.

1 advertising Herbalife, and talk to people (“use, wear, talk”).

2 57. In order to restrict sales to the direct-selling channel, Defendants have  
3 adopted rules that effectively prevent Distributors from being able to sell to a  
4 larger customer base. Defendants’ rules prohibit the sale of product in retail stores  
5 and impose many restrictions on online selling. Nonetheless, Defendants foster an  
6 illusion that Distributors can make significant full-time or part-time income from  
7 retail sales. One way in which Defendants accomplish this is by promoting the  
8 concept of the “Nutrition Club.” The Nutrition Club model was developed from an  
9 idea that started in Mexico and, according to Defendants, has particular appeal for  
10 members of the U.S. Latino community.

11 58. According to Defendants, the Nutrition Club is supposed to be a  
12 neighborhood gathering place to promote health and wellness, and to provide  
13 income for the Nutrition Club owner. In practice, Nutrition Clubs operate  
14 primarily as a tool for recruiting new members rather than as a method for  
15 profitably retailing Herbalife products.

16 59. Defendants encourage Distributors to lease a commercial space (or  
17 use space in their homes) to operate a business similar to a juice bar, in which the  
18 Distributor will work on a daily basis as the owner and sole employee. [Herbalife  
19 Rule of Conduct 8.1.3]

20 60. Customers who come to the club pay a daily “membership fee” of a  
21 few dollars that entitles them to consume certain Herbalife products that are  
22 prepared on the premises. Visitors typically receive one serving of soy protein  
23 powder mixed with water and ice (referred to as a “shake”), herbal tea, and aloe.  
24 This method of operating an Herbalife business is often referred to as “daily  
25 consumption.”

26 61. To find customers, Nutrition Club operators are encouraged to pass  
27 out flyers to potential customers on the street, at their children’s school, or other  
28 locations, inviting them to visit the “club.”

62. While only a small percentage of the roughly half-million U.S. Herbalife Distributors report operating Nutrition Clubs, Defendants claim that club owners purchase a disproportionate amount of volume of Herbalife product. In 2012, Defendants estimated that there were 3,700 commercial Nutrition Clubs in the North America region (consisting primarily of the United States); Defendants also claimed that Nutrition Clubs were driving 30–35% of the overall volume of product purchased in the United States. [Herbalife Second Quarter 2012 Earnings Conference Call]

63. Although Nutrition Clubs would appear to be retail establishments, Defendants’ rules provide that Nutrition Clubs are not retail stores or outlets, nor are they restaurants or carry-out establishments. Nutrition Clubs are not intended to attract “walk-in” traffic; Defendants’ rules prohibit signs that state or suggest that Herbalife products are available for retail purchase on the premises. Club owners are not permitted to post signs indicating whether the club is open or closed, and the interior of the club must not be visible to persons outside. [Herbalife Rules of Conduct 8.3.3, 8.4.3, 8.4.4]

64. Club operators may not post, list, or charge prices for servings of prepared products such as shakes, teas, or aloe. The only permissible charge in connection with the provision of these products is the “membership fee.” [Herbalife Rules of Conduct 8.2.1, 8.2.8] Provision of the shake, tea, and aloe generally costs a Distributor a few dollars, leaving little of the “membership fee” to cover the various operational expenses associated with the club.

65. Although Defendants create the impression that Nutrition Club owners will make significant full-time or part-time income from retailing Herbalife products to customers at their clubs, many Distributors find it all but impossible to make enough money from retail sales of product to cover the overhead of the club and also generate income for the owner.

66. Many club owners incur thousands of dollars in expenses—including

1 but not limited to product purchases, rent, utilities, supplies, and licensing fees—  
2 that they are unable to recover through the operation of their clubs, and end up  
3 losing money.

4 67. In fact, Defendants’ own telephone survey of 433 current and 69  
5 former Nutrition Club owners in February 2013 paints a discouraging picture of  
6 the experience of many Nutrition Club owners. Fifty-seven percent of Nutrition  
7 Club owners reported that their clubs made no profit or lost money. Club owners  
8 reported spending an average of about \$8,500 to open their club.

9 68. Some Nutrition Club owners continue to operate their clubs for little  
10 or no profit—or at a loss—for years, in the hope that things will turn around and  
11 their investment will eventually pay off. However, the promised retail-based  
12 business opportunity is simply not there.

13 69. Because Nutrition Clubs are expressly not retail establishments and  
14 are often unprofitable, they are principally of value to a small minority of  
15 financially successful Herbalife Distributors as a location from which they can  
16 recruit new participants.

17 70. As one top Distributor explained in a PowerPoint presentation:  
18 [Nutrition Club] Operators need to realize that the end goal is not how  
19 many \$4.00 services they sell each day as that is not the way for them  
20 to achieve their financial goals. Rather, it’s upgrading a Consumer to  
21 become a Customer and eventually a Distributor and ultimately  
22 having Distributors become Operators who will duplicate the  
23 Nutrition Club method.

24 [“Financial Success System” presentation dated March 24, 2010]

25 71. “Successful” Nutrition Club owners make money not from retailing  
26 product, but from recruiting other participants who are encouraged to open their  
27 own clubs, buy more product, and recruit more participants. When recruited  
28 participants purchase product to sell at their clubs, these purchases generate

1 recruiting rewards for the sponsor, even if the clubs themselves lose money. These  
2 recruiting rewards are the only pathway to achieve the high incomes touted in  
3 Defendants' promotional materials.

4 72. Regardless of whether Distributors operate a Nutrition Club,  
5 Distributors experience difficulty in selling product to customers outside the  
6 network. Nevertheless, Defendants' compensation structure puts pressure on  
7 Distributors to purchase large quantities of product in order to qualify for greater  
8 wholesale discounts and recruiting-based rewards (*see* discussion below at ¶¶ 135–  
9 44).

10 73. As a result, many Distributors buy product that they find difficult to  
11 sell. Although Defendants have a buy-back policy, in order to take advantage of  
12 the policy, a Distributor must resign his distributorship. Many Distributors have  
13 been unaware of the policy or, for various reasons, have been reluctant to attempt  
14 to use it.

15 74. Distributors dispose of excess product purchases in numerous ways.  
16 At the simplest level, when Distributors are left with product they are unable to sell  
17 they may give it to friends, throw it away, or gradually consume it themselves.  
18 Such self-consumption is not driven by genuine demand for the product, but is the  
19 easiest and most convenient way for a Distributor to get some benefit from product  
20 that the Distributor would not have bought absent his or her participation in the  
21 business opportunity. In other instances Distributors attempt to sell their excess  
22 inventory at a discount on auction websites or at flea markets, although such  
23 efforts to mitigate their losses are prohibited by Defendants' rules. [Herbalife  
24 Rules of Conduct 4.1.1, 7.3]

25 75. The overwhelming majority of Distributors who attempt to retail the  
26 product make little or no net income, or even lose money, from retailing the  
27 product.  
28

***Distributors Abandon the Business Opportunity in Large Numbers***

76. In light of their poor financial results, many Distributors either stop buying product or leave the organization altogether, resulting in a high turnover rate.

77. Despite Defendants' efforts to promote retention of Distributors whom it characterizes as "Sales Leaders," in 2014 nearly 60% of first-time Sales Leaders did not purchase sufficient product to requalify as Sales Leaders. [Statement of Average Gross Compensation Paid by Herbalife to U.S. Members in 2014]

78. Retention for non-Sales Leaders, many of whom are pursuing the business opportunity, is even worse. An analysis of Defendants' data shows that the majority of Distributors stop ordering Herbalife products within their first year, and nearly 50% of the entire Herbalife U.S. Distributor base quits in any given year. Roughly half of all Herbalife Distributors at any given time are in their first 12 months of membership, and roughly 40% of the volume of Herbalife products sold by Defendants each year is sold to participants in their first year.

79. During 2009–13, an annual average of approximately 242,000 new Distributors signed up in the United States. On average, 89% of those newly-recruited Distributors, however, simply replaced U.S. Distributors who left that same year, with an annual average of approximately 216,000 Distributors leaving during this time period.

80. For example, while approximately 277,000 new Distributors joined Herbalife in the U.S. in 2013 (from a base of approximately 520,000 Distributors at the end of 2012), approximately 256,000 existing Distributors left that year.

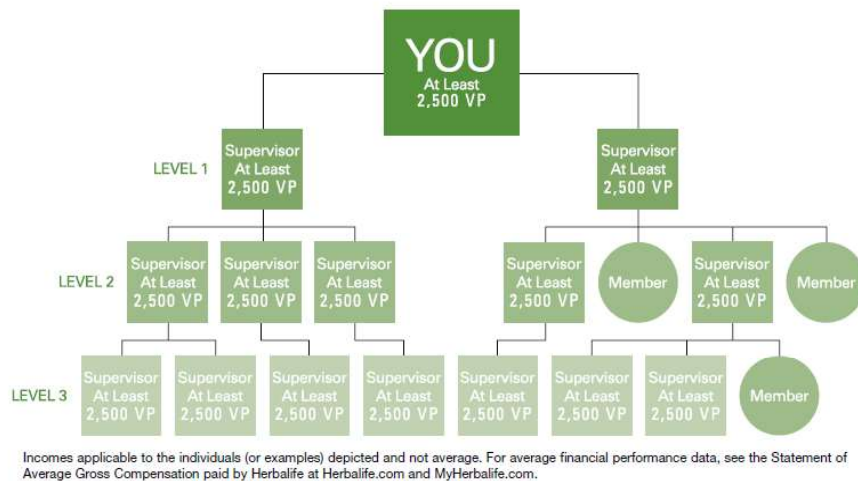
***Defendants' Business Opportunity is Based on Recruitment***

81. Notwithstanding Defendants' express and implied representations that Herbalife offers a retail-based business opportunity, in truth the only way to achieve wealth from the Herbalife business opportunity is to recruit other



Distributors. Purchases by these recruited Distributors, referred to as a “downline,” generate rewards for the sponsoring Distributor. (See ¶ 119.) Through a variety of channels, Defendants admit, expressly or by implication, that recruiting is the key to financial success.

82. Defendants’ print materials emphasize the importance of recruiting new Herbalife participants. For example, through at least December 2015 the book “Building Your Business,” which is included in the starter kit that every Distributor must purchase, discussed “the power of duplication” and illustrated “what you can achieve” if “you recruit and retain two active Supervisors.” In the illustration, the Distributor purchases a certain quantity of product (costing over \$1,000) each month and recruits two new participants who also purchase that quantity each month. Those two participants then recruit a total of twelve additional participants in two additional levels below them. For each month that the Distributor and the fourteen recruits purchase the specified quantity of product, the Distributor will earn \$1,750.



83. The English-language version of the 2012-2014 Presentation Book also includes examples of how recruiting two or three new participants can translate into \$2,450 to \$8,775 per month for the recruiter, assuming that the new participants make substantial wholesale product purchases and themselves recruit

1 new participants who also make substantial wholesale product purchases.

2 84. The Spanish-language version of the 2012-2013 Presentation Book  
3 similarly discusses “the power of duplication” that can result when “you bring in 3  
4 people to the business, who each bring 3 people, who in turn bring 3 people . . . .”  
5 (translated from Spanish).

6 85. Speakers giving live presentations at Defendants’ events also make  
7 representations concerning the importance of recruiting in Herbalife’s  
8 compensation program:

- 9 a. It’s wonderful that we have everybody consuming and we have  
10 everybody doing the different methods of retail . . . but you got  
11 to think about it, guys, the name of the game here is royalty . . .  
12 and you don’t get paid royalty off of customers. You get paid  
13 royalties off of distributors that you help to become successful  
14 to become supervisors. [Herbalife Founder’s Circle member  
15 Susan Peterson, 2009 Herbalife Extravaganza, Atlanta]
- 16 b. [translated from Spanish] The only way to scale the ladder of  
17 success is through sponsorship. [Herbalife President’s Team  
18 member Dalia González, 2009 Herbalife Extravaganza Latina,  
19 Atlanta]
- 20 c. The key to royalty growth[:] New distributors qualifying as  
21 Supervisor every month. [Herbalife Chairman’s Club member  
22 Kurt O’Connell, “Building Your Royalties” Presentation, 2011  
23 Herbalife Extravaganza, Las Vegas]

24 86. Savvy Distributors have figured out ways to use the recruiting reward  
25 structure to reap rewards, even without profitable retail sales. For example, during  
26 the years 2009–14, one top Distributor paid over \$8 million for product (with a  
27 total Suggested Retail Price of over \$16 million) which the Distributor purchased  
28 in the names of various downline members, thereby generating additional rewards



1 and qualifying for higher payments from Defendants. This Distributor then  
2 donated all of this product to charity, rather than attempting to sell it. The  
3 Distributor generated enough rewards through these purchases to make a net profit,  
4 without even selling the products.

5 87. Similarly, other Distributors have used unprofitable retail sales of  
6 product to generate large reward payments. These Distributors have created  
7 specialized websites offering products at discounts of up to 50% with no tax and  
8 free shipping. Although the net profit earned from these online retail sales has  
9 been *de minimis*, by manipulating Herbalife's compensation system, these  
10 Distributors have generated significant "recruiting" reward payments from the  
11 large volume of product purchases made by their purported downlines.

12 **Few Business Opportunity Participants Earn Recruiting Rewards**

13 88. Although recruiting is the only path to a high income, very few  
14 Herbalife participants earn income from recruiting.

15 89. Most Distributors (80%) do not successfully recruit any new  
16 participants, and therefore receive no recruiting rewards.

17 90. Even among those who do recruit, a substantial percentage  
18 receive no reward payments. For example, as of December 31, 2014, more  
19 than 111,000 U.S. Distributors had recruited a downline, but approximately  
20 43% of them (47,714) received no reward payments from Defendants.

21 [Statement of Average Gross Compensation Paid by Herbalife to U.S.  
22 Members in 2014]

23 91. Income from recruiting is low even for many in the top 13% of all  
24 Distributors—those who reached the status of "Sales Leaders with a downline." In  
25 2014, more than half (57.6%) of the Distributors in this elite group received  
26 average gross reward payments from Defendants of under \$300 *for the year*. [*Id.*]

27 92. Rewards are highly concentrated among a small number of  
28 Distributors. In contrast to the experience of the vast majority of Distributors who

1 make little or no money from recruitment-based rewards, the top 0.03% of U.S.  
2 Distributors (205 individuals) received average gross reward payments of over  
3 \$600,000 per year. [Statement of Average Gross Compensation Paid by Herbalife  
4 to U.S. Members in 2014]

5 93. For the fewer than 1% of Distributors who receive substantial income  
6 through Defendants' business opportunity, their compensation for recruiting large  
7 numbers of new business opportunity participants dwarfs whatever they might  
8 make from retail sales of the product.

9 94. The overwhelming majority of Herbalife Distributors who pursue the  
10 business opportunity earn little or lose money, while those few Distributors who do  
11 make a living from their Herbalife business do so by recruiting other business  
12 opportunity participants who purchase product, not by retailing the product.

13 **To Confuse Participants and the Public About Distributors' Poor Financial**  
14 **Outcomes, Defendants Understate the Percentage of**  
15 **Distributors Who Are Pursuing the Business Opportunity**

16 95. Although Defendants heavily promote their business opportunity, in  
17 recent years Defendants have begun to claim that most consumers who sign up to  
18 be Distributors are merely customers who purchase the product only for their own  
19 consumption and are not interested in pursuing the Herbalife business opportunity.

20 96. Defendants do not offer a separate "customer" or "discount buyer"  
21 status for consumers who are uninterested in pursuing a business opportunity and  
22 thus do not systematically track or distinguish Distributors who might be "discount  
23 buyers" from Distributors who are pursuing a business opportunity.

24 97. Defendants' rules provide that all consumers who sign up with  
25 Herbalife must enter into an agreement that includes the business opportunity. The  
26 2015 version of that agreement consists of seven pages of small print and includes  
27 a number of provisions that would be inapplicable to a "discount buyer," such as a  
28 requirement that the participant indemnify, defend, and hold harmless Herbalife

1 from any cost or liability arising from the participant's breach of the agreement or  
2 the conduct of his or her Herbalife business.

3 98. Since 2013 Defendants have publicly claimed or implied that a mere  
4 27% of their Distributors are pursuing the business opportunity either full-time or  
5 part-time, and that a "substantial majority" (73%) are simply interested in buying  
6 Herbalife products for their own personal consumption.

7 99. Defendants' express or implied claim that a "substantial majority" of  
8 their Distributors are not pursuing the business opportunity is based not on  
9 Distributor behavior, but on surveys commissioned by Defendants beginning in  
10 July 2012 that are flawed and unreliable. For example, many survey participants  
11 who were included in the category of Distributors who purportedly "joined  
12 Herbalife primarily as discount customers" themselves reported that they quit  
13 Herbalife because "finding new customers was too difficult and/or time  
14 consuming," or the "business was harder than [they] originally believed."

15 100. Based on such survey results, even some Distributors who reach  
16 "President's Team" (the highest status level in Herbalife) and earn over \$100,000  
17 in recruiting rewards annually from the business opportunity have been categorized  
18 in Defendants' representations as merely "discount buyers."

19 101. When observable Distributor behavior from Defendants' data is  
20 analyzed, the percentage of Distributors who are attempting to earn income from  
21 the Herbalife business opportunity readily exceeds the 27% in Defendants' claims.  
22 Such behaviors include, for example, purchasing promotional literature and sales  
23 and recruiting aids from Defendants.

24 102. Furthermore, many Distributors interested in the business opportunity  
25 may make some effort to earn income and fail, without engaging in the type of  
26 measureable and overt behaviors that would make their pursuit of the business  
27 opportunity readily apparent.

28 103. In short, many of the Distributors whom Defendants would expressly

1 or impliedly characterize as solely “discount buyers” are, in fact, pursuing the  
2 business opportunity.

3 104. Regardless of the number of so-called “discount buyers,” it is clear  
4 that collectively they could account for only a small percentage of the volume of  
5 Defendants’ products sold in the United States. Even using a grossly overstated  
6 measure of “discount buyers”—that is, counting as “discount buyers” the roughly  
7 80% of participants who are not “Sales Leaders”—such Distributors collectively  
8 account for less than 25% of the volume of Defendants’ products sold in the  
9 United States. The remainder, over 75%, is purchased by Distributors at the “Sales  
10 Leader” level, who are clearly pursuing a business opportunity.

### 11 **Overview of Defendants’ Compensation Plan**

12 105. The amount of compensation a Distributor receives from Defendants  
13 is not based on retail sales of Herbalife products, but rather is based on the volume  
14 of product purchased by the Distributor’s recruits, and by their recruits, and so on.

15 106. Thus, the compensation plan contains incentives for Distributors to  
16 recruit participants and to persuade them to buy as much product as they can.

17 107. To become a Distributor, an individual must pay either \$59.50 or  
18 \$92.25, plus tax and shipping, to purchase a starter pack called an “International  
19 Business Pack,”<sup>3</sup> the contents of which have varied over time but which have  
20 included an Herbalife tote bag; samples of various Herbalife products; literature  
21 about Herbalife’s products; sales aids (such as a “Presentation Book” and buttons  
22 the distributor is supposed to wear to advertise Herbalife); DVDs about the  
23 business opportunity such as “Design Your Life”; multiple publications concerning  
24 the Herbalife business opportunity, including the pamphlet “Your First 72 Hours:  
25 Making Your First Sale” and the books “Your Business Basics,” “Using &

---

26  
27 <sup>3</sup> In 2013, Defendants began calling the pack required for all new participants the  
28 “Herbalife Member Pack” rather than the “International Business Pack.”

1 Retailing Your Products,” “Building Your Business,” and “Sales & Marketing Plan  
2 and Business Rules”; and a single receipt form that can be given to a customer in  
3 the event of a single sale of product.

4 108. Defendants’ rules provide that participants must enter into an  
5 “Agreement of Distributorship” either online or, if the pack is not purchased  
6 online, in hardcopy form. (In 2013, Defendants began calling the agreement an  
7 “Herbalife Membership Application and Agreement” rather than an “Agreement of  
8 Distributorship.” The change in terminology, however, was not accompanied by  
9 any substantive change to the nature of the business opportunity available to  
10 Herbalife participants.) Upon purchasing the International Business Pack and  
11 submitting the Agreement to Defendants, a participant is assigned an Herbalife ID  
12 number and becomes an official Distributor.

13 109. The details of Defendants’ compensation program are complex and  
14 convoluted, and involve specialized terminology and concepts. These details,  
15 terminology, and concepts are laid out in a book included in the International  
16 Business Pack entitled “Sales & Marketing Plan and Business Rules.” The 2014  
17 version of the “Sales & Marketing Plan and Business Rules” has 114 pages and  
18 consists of more than 58,000 words. The book is difficult to read and understand  
19 and many participants rely upon their sponsors to explain the program.

20 110. The core concepts of Defendants’ compensation program are as  
21 follows:

- 22 a. Participants advance to higher status levels in the organization  
23 and qualify for reward payments based on product purchases  
24 (not product sales); and
- 25 b. The only way to reach the highest levels of compensation is to  
26 recruit more participants.

27 A simplified version of the compensation plan is set forth below.

28 111. New recruits start at the lowest level, called “Distributor” (or, since

1 2013, “Member”). A Distributor can purchase product from Defendants at a  
2 discount of 25% off the “earn base” (a dollar value that Defendants assign to each  
3 product that is generally slightly less than the value that Defendants assign as the  
4 Suggested Retail Price for that product). The only way a participant at this level  
5 can make money is to buy product from Herbalife and sell it to a customer for  
6 more than his total cost, with the difference representing the participant’s “Retail  
7 Profit.” “Retail Profit” is also the only form of compensation available to those  
8 Distributors who have not recruited other Distributors.

9 112. The vast majority of Herbalife participants never progress higher than  
10 the Distributor level, and most stop purchasing product within a year and do not  
11 renew their memberships.

12 113. Higher status levels are obtained by meeting threshold requirements  
13 of “Volume Points,” which are accumulated by purchasing greater quantities of  
14 products. (The “Volume Point” is a unit created by Defendants to measure the  
15 value of product purchases across currencies. A product with a Suggested Retail  
16 Price of \$100 generates roughly 100 Volume Points.) The Sales and Marketing  
17 Plan contains complicated rules regarding how much of the threshold Volume  
18 Point requirement must be volume that is personally purchased by the Distributor,  
19 and how much may be volume purchased by other Distributors whom he recruits.

20 114. A Distributor can advance to the status level of “Senior Consultant,”  
21 which allows him to purchase product at a 35% discount, by accumulating at least  
22 500 Volume Points in one month.

23 115. A Distributor who purchases 1,000 Volume Points in a single order  
24 obtains the status of “Success Builder” and is entitled to a 42% discount for that  
25 month.

26 116. A Distributor who accumulates a total of 2,500 Volume Points over  
27 one to three months obtains the status of “Qualified Producer” and is entitled to a  
28 42% discount through the following year.



1           117. The maximum discount, for those at the “Supervisor” status level and  
2 above, is 50% off the “earn base.” A Distributor who accumulates a total of 4,000  
3 Volume Points obtains “Supervisor” status and is entitled to a 50% discount  
4 through the following year.

5           118. If a Distributor makes it to the Supervisor level, there are numerous  
6 higher levels that offer additional rewards that are based on recruiting. Herbalife  
7 refers to Distributors who reach the Supervisor level or above as “Sales Leaders.”

8           119. The essential requirement for moving up to the highest status levels is  
9 recruiting a large “downline.” A given participant’s “downline” is comprised of all  
10 those whom the participant has personally recruited (Level One), all those  
11 recruited by his Level One participants (Level Two), and so forth, down to as  
12 many levels as have been created by recruitment.

13           ***Defendants’ Compensation Plan Incentivizes Recruiting***

14           120. Defendants’ compensation plan gives participants a powerful  
15 incentive to recruit more participants, because recruiting a downline entitles a  
16 participant to receive multiple different types of payments directly from  
17 Defendants.

18           121. One such type of payment is called “Wholesale Profit” (or  
19 “Commissions”). An Herbalife participant may receive “Wholesale Profit” based  
20 on purchases made by participants he has recruited who are at a lower discount  
21 rate. For example, if a participant at the “Supervisor” status level (50% discount  
22 rate) recruited a participant at the “Senior Consultant” status level (35% discount  
23 rate) who then ordered product with a Suggested Retail Price of \$100, the  
24 participant at the “Supervisor” level would receive a commission check from  
25 Defendants of approximately \$15, representing the 15 percentage point difference  
26 between the two participants’ discount rates.

27           122. An additional type of payment based on downline purchases, available  
28 to participants who are at or above the status level of “Supervisor” and who have

1 recruited a downline, is called “Royalty Overrides.” To understand how Royalty  
2 Overrides work, it is necessary to understand two “volume” concepts in  
3 Defendants’ Sales & Marketing Plan: “Total Volume” and “Organizational  
4 Volume.”

5 123. “Total Volume” is a total of the Volume Points associated with a  
6 participant’s own product purchases, plus the Volume Points associated with the  
7 product purchases made by certain members of the participant’s downline.  
8 Specifically, the “Total Volume” of Participant A would include the product  
9 purchases of Participant A’s downline members who (i) have a status level lower  
10 than “Supervisor,” and (ii) do not have any participants who have a status level of  
11 “Supervisor” or higher in the chain of participants between them and Participant A.

12 124. In simplified form, “Organizational Volume” refers to the Total  
13 Volume of a participant’s first three levels of “Supervisors” who are active in a  
14 given month.

15 125. “Royalty Overrides” are payments ranging from 1% to 5% of a  
16 participant’s “Organizational Volume.” The amount of the “Royalty Override”  
17 percentage that a given participant earns each month depends on the participant’s  
18 “Total Volume” for that month. Thus, 500 Total Volume points entitles the  
19 participant to a 1% Royalty Override; 1,000 Total Volume points earns a 2%  
20 Royalty Override; and so on, up to 2,500 Total Volume points which earns a  
21 maximum 5% Royalty Override.

22 126. Participants are eligible to earn Royalty Overrides only if they have  
23 (i) obtained a status level of “Supervisor” or above ( *i.e.*, “Sales Leaders”) and  
24 (ii) recruited a downline.

25 127. As of December 31, 2014, only about 13% of all U.S. Distributors fell  
26 into the category of “Sales Leaders” who had recruited a downline. Even among  
27 this group, most receive little or nothing in compensation from Defendants. In  
28 2014, approximately 57.6% of this group received an average gross annual



1 payment from Herbalife of about \$299, and approximately 14.3% received  
2 nothing. [Statement of Average Gross Compensation Paid by Herbalife to U.S.  
3 Members in 2014]

4 128. The participants who receive the highest gross compensation from  
5 Defendants are at the top three status levels of the compensation system: “Global  
6 Expansion Team,” “Millionaire Team,” and “President’s Team,” called  
7 collectively “TAB Team” (“Top Achievers Business Team”).

8 129. At the “TAB Team” status levels, participants may be eligible to  
9 receive three different types of income based on their downlines’ purchases:  
10 Wholesale Profits, Royalty Overrides, and a third category of income called  
11 “Production Bonuses.” A Production Bonus is a monthly payment of 2% to 7% of  
12 the product purchases of the participant’s entire downline, on all levels infinitely  
13 deep.

14 130. Participants at the “TAB Team” status levels may also qualify to  
15 receive the “Mark Hughes Bonus Award,” which is a payment based on a  
16 percentage of Herbalife’s worldwide sales.

17 131. It is only at the “TAB Team” status levels that a small number of  
18 participants begin to see the rewards promised by Defendants, although even at this  
19 level, the majority of participants are hardly receiving lavish income from  
20 Defendants. For example, in 2011—the last year in which Defendants publicly  
21 released income data by participant level—the median annual compensation that  
22 participants at the “Global Expansion Team” status level received from Defendants  
23 was \$19,417. In comparison, the U.S. Census Bureau’s 2011 poverty threshold for  
24 a family of two with no children was \$14,657.

25 132. Rewards are concentrated at the very highest levels. Participants at  
26 the top level, “President’s Team,” accounted for only about 0.05% of all  
27 Distributors in 2011 but their median annual gross income from Defendants was  
28 \$336,901.

133. In 2011, the top U.S. Distributor received over \$7 million from Defendants, broken down as follows:

Wholesale Profits	\$2,847
Royalty Overrides	\$944,058
Production Bonuses	\$4,256,817
Mark Hughes Bonus	\$2,000,000
Total	\$7,203,722

These reward payments were not based on retail sales to consumers, but on wholesale purchases made by downline Distributors in his worldwide organization.

134. The only way to reach the “TAB Team” status levels is to recruit a large organization of participants at the “Supervisor” status level who purchase thousands of “Volume Points” worth of product. Thus, for example, to reach the top level, “President’s Team,” a participant must recruit an organization of Supervisors who generate at least 10,000 Royalty Override points each month for three consecutive months. Because the maximum Royalty Override percentage is 5%, this means that the first three levels of Supervisors must collectively generate a minimum total of 200,000 Volume Points of product purchases each month, for a total of 600,000 Volume Points of product purchases over the three months.

***Defendants’ Compensation Plan Incentivizes Wholesale Product Purchases***

135. Defendants’ compensation plan requires large wholesale purchases of products in order for a participant to advance to a higher status level and to make money from rewards. As explained below, participants must purchase product from Defendants, or convince others to join and purchase product from Defendants, in order to (i) qualify to move up to a higher status level; (ii) requalify for those status levels and prevent being demoted; and (iii) qualify to receive “Royalty Override” and “Production Bonus” payments from Defendants. These product purchases are made as payments to participate in the Herbalife operation

rather than in response to actual retail demand for Herbalife products.

***Product Purchases Are Required to Advance to Higher Levels***

136. To advance from the lowest status level, “Distributor,” to any of the status levels providing a higher discount, an Herbalife participant must make substantial wholesale product purchases from Defendants and/or recruit downline participants who will make substantial wholesale product purchases from Defendants.

137. For example, reaching the status of “Supervisor” requires wholesale product purchases totaling a minimum of 4,000 Volume Points. An order totaling 4,000 Volume Points costs roughly \$3,000 and would entail a large amount of Herbalife product. As an example, the following would represent a 4,000 Volume Point order sufficient to qualify a participant as a “Supervisor”:

SKU	Description	Qty	Volume Points Each	Volume Point Total
3106	Formula 1 shake mix canister (30 servings)	16	32.75	524.00
0365	Protein bar deluxe (14 bars)	32 boxes	13.22	423.04
1188	Herbal aloe concentrate (half gallon)	8	92.55	740.40
0106	Herbal tea concentrate (3.5 oz.)	16	34.95	559.20
3115	Formula 2 multivitamin (90 tablets)	16	19.95	319.20
3123	Formula 3 Cell Activator (60 tablets)	16	21.95	351.20
3277	Lift-Off (30 tablets)	16	47.70	763.20
1415	Herbalife 24 – Prolong canister (37 oz.)	8	41.60	332.80
	TOTAL			4,013.04

1           138. It is impossible to reach the highest status levels of Defendants’  
2 compensation program—“Global Expansion Team,” “Millionaire Team,” and  
3 “President’s Team”—without recruiting new participants who collectively  
4 purchase large quantities of product. Under Defendants’ compensation plan,  
5 recruitment is required to reach these status levels.

6           ***Product Purchases Are Required to Requalify for Status Levels***

7           139. Participants who obtain a particular status level must annually  
8 “requalify” to retain that level or be demoted. Requalification is based on the  
9 volume of wholesale product purchases by the participant and/or his organization.  
10 To requalify as a Supervisor and retain his or her downline, for example, a  
11 participant must accumulate another 4,000 or 10,000 Volume Points, depending on  
12 the method of requalification.

13           ***Monthly Product Purchases Are Required to Qualify for Reward Checks***

14           140. Participants who are eligible to receive “Royalty Overrides” or  
15 “Production Bonuses” must also accumulate, on a monthly basis, specific volumes  
16 of product purchases to “qualify” to receive those reward payments. An eligible  
17 participant “qualifies” to receive “Royalty Override” and “Production Bonus”  
18 reward payments for a given month by accumulating in that month a threshold  
19 amount of “Total Volume” ranging from 2,500 Volume Points to 5,000 Volume  
20 Points.

21           141. All of these volume requirements are based on wholesale *purchases* of  
22 product from Defendants. Defendants do not track what happens to the product  
23 after a participant purchases it.

24           142. Higher-level Distributors who are eligible to receive reward payments  
25 frequently buy Herbalife products in order to meet the thresholds for obtaining  
26 these rewards, rather than to satisfy consumer demand. For example, analysis of  
27 Defendants’ purchasing data reflects that, in the months in which participants at the  
28 “TAB Team” levels—the highest levels in the Herbalife marketing plan—received

1 “Royalty Override” payments, they frequently purchased almost precisely the  
2 amount of product necessary to qualify for the payment.

3 143. These participants at the highest status levels who must make monthly  
4 product purchases in order to earn recruiting rewards are the most robust wholesale  
5 purchasers of Herbalife products. In the time period from January 2009 through  
6 March 2014, such high-level participants purchased on average almost eight times  
7 as much product per person as participants at the lowest level of “Sales Leaders”  
8 (Supervisors), who by and large were ineligible for such recruiting rewards.

9 144. This purchasing behavior reflects an excessive emphasis on  
10 purchasing product for the purpose of qualifying for recruitment rewards.

### 11 **CONCLUSION**

12 145. In sum, Defendants’ compensation structure incentivizes Distributors  
13 to purchase thousands of dollars of product to receive recruiting-based rewards and  
14 to recruit new participants who will do the same.

15 146. This results in the over-recruitment of participants and the over-  
16 supply of Defendants’ products and exacerbates participants’ difficulty in selling  
17 Herbalife products for a profit.

18 147. Participants in a business opportunity should have some reasonable  
19 prospect of earning profits from reselling products to customers. However, most  
20 Herbalife participants earn little or no profit, or even lose money, from retailing  
21 Herbalife products.

22 148. In the absence of a viable retail-based business opportunity,  
23 recruiting, rather than retail sales, is the natural focus of successful participants in  
24 Defendants’ business opportunity.

25 149. Thus, participants’ wholesale purchases from Herbalife are primarily  
26 a payment to participate in a business opportunity that rewards recruiting at the  
27 expense of retail sales.

## **VIOLATIONS OF THE FTC ACT**

150. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

151. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

152. Acts or practices are unfair under Section 5 of the FTC Act if they cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

### **COUNT I**

#### **Unfair Practices**

153. As alleged above, Defendants promote participation in Herbalife, a multi-level marketing program, which has a compensation structure that incentivizes business opportunity participants to purchase product, and to recruit new business opportunity participants to purchase product, in order to advance in the marketing program rather than in response to actual retail demand.

154. Defendants’ actions cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing benefits to consumers or competition.

155. Therefore, Defendants’ practices as described in Paragraph 153 above constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a) and 45(n).

### **COUNT II**

#### **Income Misrepresentations**

156. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of the right to participate in the Herbalife program, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who become Herbalife Distributors are likely to earn

1 substantial income.

2 157. In truth and in fact, in numerous instances in which Defendants have  
3 made the representations set forth in Paragraph 156 of this Complaint, consumers  
4 who become Herbalife Distributors are not likely to earn substantial income.

5 158. Therefore, Defendants' representations are false or misleading and  
6 constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act,  
7 15 U.S.C. § 45(a).

### 8 **COUNT III**

#### 9 **False or Unsubstantiated Claims of Income from Retail Sales**

10 159. In numerous instances, in connection with the advertising, marketing,  
11 promotion, or offering for sale of the Herbalife business opportunity, Defendants  
12 have represented, expressly or by implication, that consumers who become  
13 Herbalife Distributors are likely to earn significant full-time or part-time income  
14 from selling Herbalife products at retail.

15 160. In numerous of these instances, the representations set forth in  
16 Paragraph 159 are false or were not substantiated at the time the representations  
17 were made. Therefore, the making of the representations set forth in Paragraph  
18 159, above, constitutes a deceptive act or practice, in or affecting commerce, in  
19 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### 20 **COUNT IV**

#### 21 **Means and Instrumentalities**

22 161. By furnishing Herbalife Distributors with promotional materials to be  
23 used in recruiting new participants that contain false and misleading  
24 representations, Defendants have provided the means and instrumentalities for the  
25 commission of deceptive acts and practices.

26 162. Therefore, Defendants' practices, as described in Paragraph 161 of  
27 this Complaint, constitute a deceptive act and practice in violation of Section 5(a)  
28 of the FTC Act, 15 U.S.C. § 45(a).



## **CONSUMER INJURY**

163. Consumers have suffered and will continue to suffer substantial monetary loss as a result of Defendants' violations of Section 5(a) of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

## **THIS COURT'S POWER TO GRANT RELIEF**

164. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

## **PRAYER FOR RELIEF**

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

- A. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
- B. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- C. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

DAVID C. SHONKA  
Acting General Counsel

Dated: July 15, 2016

\_\_\_\_\_/s/  
JANET AMMERMAN  
CHRISTINE M. TODARO  
DANIEL O. HANKS  
LAURA SOLIS

Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

# EXHIBIT



# HERBALIFE.

## Success Training Seminar Miami, Florida

June 22, 2013



### President's Team Member 2 diamonds 15k

For almost eight years, Michael Burton and his wife, Michelle, owned a small chain of used-car lots. It was a tough business, and 70 to 80 hours a week was typical for Michael. "I felt like I was married to the car lot," he remembers. "Dealing with employees and salesmen felt like running an adult day-care center. We ended up going bankrupt, but that turned out to be the best thing that could have happened to us."

"We were making about \$7,000 a month at the car lots."

"My wife's parents, James and Carole Wood, introduced us to Herbalife, and James encouraged me to sign up with him. I was totally against the idea and didn't want to have anything to do with it," Michael admits, "but he and Carole invited me to a Success Training Seminar anyway. After I got back home, I told Michelle that I'd just found what we were going to be doing for the rest of our lives!"

The next day they became Distributors and the day after, Supervisors.

"The only way to be successful is by having a specific goal," reminds Michael, "and by using the products. I lost 44 pounds in the first two months and went from a size 40 waist back to a 32. Can you believe I thought I was only 15 pounds overweight? Now the lifestyle is truly incredible, enjoying financial freedom traveling the world."

### HOTEL MARRIOTT AIRPORT Miami

1201 NW LEJEUNE ROAD, MIAMI, FL 33126

**Saturday 23 :** 7:30am - Production Team & Pre-meeting

9:00am - HOM (Herbalife Opportunity Meeting) FREE

11:00am - Lunch

12:00-3:00pm - Seminar (Distributors with ticket only)

**STS TICKETS ONLY VIA PAYPAL ACCOUNT: [animeja3@gmail.com](mailto:animeja3@gmail.com) DEPOSIT AND SEND TEXT ONLY TO**

**CONFIRM NAME + # NUMBER OF TICKETS TO: Adriana Mejia & Rod Disanto (786)218-2843**

**For all updates and Information about STS Facebook Group: STS English South Florida**

**Pre-sale until Wednesday June 19 1X\$30 or 4X\$100 US. Ticket at door \$40 CASH ONLY**

# COMPOSITE EXHIBIT

RecordingAudio SettingsQ&AChat 99Raise Hand

## EVENTS (RETAINING)

- Our ultimate goal with everything we do in our process is getting people plugged into the Herbalife Event Calendar (LDW, FSL, EXTRAVAGANZA, etc.)
- Emphasize the importance of events since day one.
- Create individual goals as well as Team goals about how many people we will have at the next big event. (Last year we had over 400 at our EXTRAVAGANZA)
- Demonstrate the benefits of qualifying for everything and encourage your team to do the same. (VIP, HERBALIFE PROMOTIONS)

Unstoppable Fit Couple

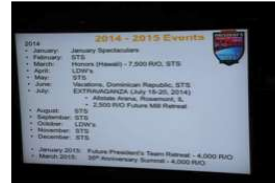


## Importance of PLUGGING IN

- There is a **DIRECT CORRELATION** between the amount of people you bring to an event and your position in the Herbalife Marketing Plan! Invest time, money, and energy in to learning your products and your business and it will pay you back a thousand times over (literally).
- Your people (downline) need the **training and information** that you cannot give them. It is impossible to explain (or re-create) the excitement and impact of 300, 400, 500+ people in a room, all excited and talking about their results and how Herbalife has changed their lives.
- **Credibility.** Exposure to others (other than their inner circle) in the business, especially the \$\$ earners makes more of an impact on a new person. It broadens the vision and allows people to see the 'big picture.'
- **Belief.** Seeing people and attending trainings monthly, qualifying for promotions and events cements belief. Not just in the company or the business, but in ourselves and our own abilities to do the business.
- **The "AHA MOMENT."** When people attend big events, especially corporate events, this is usually where the "AHA" moment happens. Someone says just the right thing, in just the right way and it clicks.....and changes everything for a distributor. Part timers turn in to full timers, dreams are validated and cemented, understanding is deepened, and commitments are made. Talk to any successful Herbalifer and they will all tell you this. Don't reinvent the wheel...get the training!!!
- **Surround yourself** with positive people on the same path as you- it DOES make a difference!

**MOST IMPORTANT: If YOU do not plug in, your people will not plug in!**

(You will learn how important attendance at events are as soon as you start growing an organization!)





# EXHIBIT

*To be Filed  
Under Seal*

# EXHIBIT



**SPEAKER GUIDELINES**  
**For use at all Herbalife® Events**

Deadline for Speaker Selection of Topics: **6 weeks** prior to scheduled event

Deadline for Submission of Speaker PowerPoint Presentations (PPT): **3 weeks** prior to event

- This allows time for sales representatives, branding specialists and legal to review and provide comments and feedback
- Please note that speakers who do not meet the deadline risk not being permitted to use their Presentation at the event

Deadline for Submission of Talking Points (Presentations that take place without the use of PPTs): **3 weeks** prior to the event

- Please note that Speakers who do not meet the deadline risk not being permitted to present

Guidelines for Submission of PPTs

- Presentations must be built using approved template(s), current logos and trademarks, and approved nomenclature, such as those words used to discuss Herbalife Independent Distributors and income opportunity<sup>1</sup>
- Presentations must include income and weight loss disclaimers as required<sup>2</sup>
- Please note that use of the images, quotes and video clips of others typically requires the permission of the owner of those items based on their copyright ownership. When in doubt, use images and video clips you have created.
- When using screenshots of social media pages that are either not your own and/or feature the name, likeness or post of someone else, you must provide permission to use and share their name, likeness and/or their post

---

<sup>1</sup>If you do not have access to current or approved templates, logos and trademarks, or have questions concerning nomenclature, please contact your regional sales team. They will be happy to send you these items.

<sup>2</sup>If you need assistance to determine proper usage of disclaimers, please contact your regional sales team.

- Please note that when including Mark Hughes or Jim Rohn quotes and images in your presentation, they must be properly attributed. For Mark Hughes, always include the following: Mark Hughes, Herbalife Founder and First Distributor (1956–2000). For Jim Rohn, always include the following: Jim Rohn, Business Philosopher and Motivational Speaker (1930–2009).
- Please note that any presentation of Herbalife® products should be based on the current STS presentation in your region/territory<sup>3</sup>
- Please note you must submit substantiation for any earnings claims that cannot easily be obtained from BizWorks. For example, this would include substantiation for the following types of claims:
  - A claim about your earnings, such as “I make more money now than I did as a mechanic” or “I make enough money now to pay my rent”
  - A claim about how a certain DMO has grown your business – for example, if you want to talk about your earnings from your Nutrition Club, you must provide written proof of your earnings, such as receipts for Attendee Fees
- Please remember to keep PPTs short; this will help you maintain an engaged audience. A good number of slides to shoot for would be 10–20.
- Please keep lifestyle photos to a minimum. Instead, focus on the healthy and active life you lead by providing images of you, your family and your friends. If you do include a lifestyle image, such as a luxury car, your home, or a vacation, you must include the income disclaimer.
- Please note your presentation must be complete when submitted. Please include all video clips, quotes, and images you intend to use. Unfortunately, presentations that are not complete will be returned to the Speaker and will not be approved until it is reviewed as a whole, complete presentation.

#### Questions?

- Should you have any questions regarding these guidelines, presenting at the event, or timing for review, please contact your regional sales team

---

<sup>3</sup>Obtain a copy of the current STS Presentation on MyHerbalife.com.

# EXHIBIT

# Building Your Business



## STS Resource Center

Teach Members all they need to know about the business opportunity with the mother of all group meetings. The Success Training Seminar (STS) is designed to teach expert techniques for achieving business success.

**Target Audience:** All Members

**Estimated Length of Meeting:** 1 Day

### WHAT IS IT?

The Success Training Seminar (STS) covers key components of the Supervisor Workshop, HOM, QuickStart, and Organizational Meetings, all during a one-day training seminar.

### GETTING STARTED

Priming Members for success will help their business, and your downline, thrive. Go the extra mile in preparing potential Members by following the Success Training Seminar Agenda.

Bring your Herbalife Career Books to help with training and to use as reference. The books offer an easy-to-follow blueprint for success as an independent Herbalife Associate.

- [Herbalife Career Books](#)

### RESOURCES

Use the following resources as support materials when conducting the seminar.

- [HOM \(PDF\)](#)
- [HOM \(PowerPoint\)](#)
- [STS Product Training \(PDF\)](#)
- [STS Product Training \(PowerPoint\)](#)
- [Suggested STS Agenda](#)
- [Sales and Marketing Plan \(PDF\)](#)
- [Sales and Marketing Plan \(PPT\)](#)
- [Gold Standard](#)

#4911

- [Confidence Presentation](#)
- [Statement of Average Gross Compensation](#)
- [Distributor Action Plan \(PDF\)](#)

[Video: MOJ Welcome Message](#)

[Video: Herbalife's Gold Standard](#)

Centers for Disease Control Posters and Assets

- [Benefits of Weight Loss Poster CDC/NIH v.1](#)
- [Benefits of Weight Loss Poster CDC/NIH v.2](#)
- [Benefits of Weight Loss Poster CDC/NIH v.3](#)
- [Final Guidelines for Using Weight Loss Posters CDC/NIH](#)

January Kickoff 2017 Presentations

- [Jillian Addy "Testimonial Lead-Ins for Live Meetings" \(PDF\)](#)
- [Amber Wick "Who's Who In Your Business" \(PDF\)](#)
- [Mary Holloway "Qualify To Earn" \(PDF\)](#)
- [Part 1 -- Get And Keep \(PDF\)](#)
- [Part 2 -- POS and Documented Volume \(PDF\)](#)
- [Part 3 -- New Programs And Tools \(PDF\)](#)
- [Flow \(PDF\)](#)



[Herbalife Opportunity Meeting](#)



[Approved Trainings for Meetings](#)



[Global Nutrition Philosophy](#)

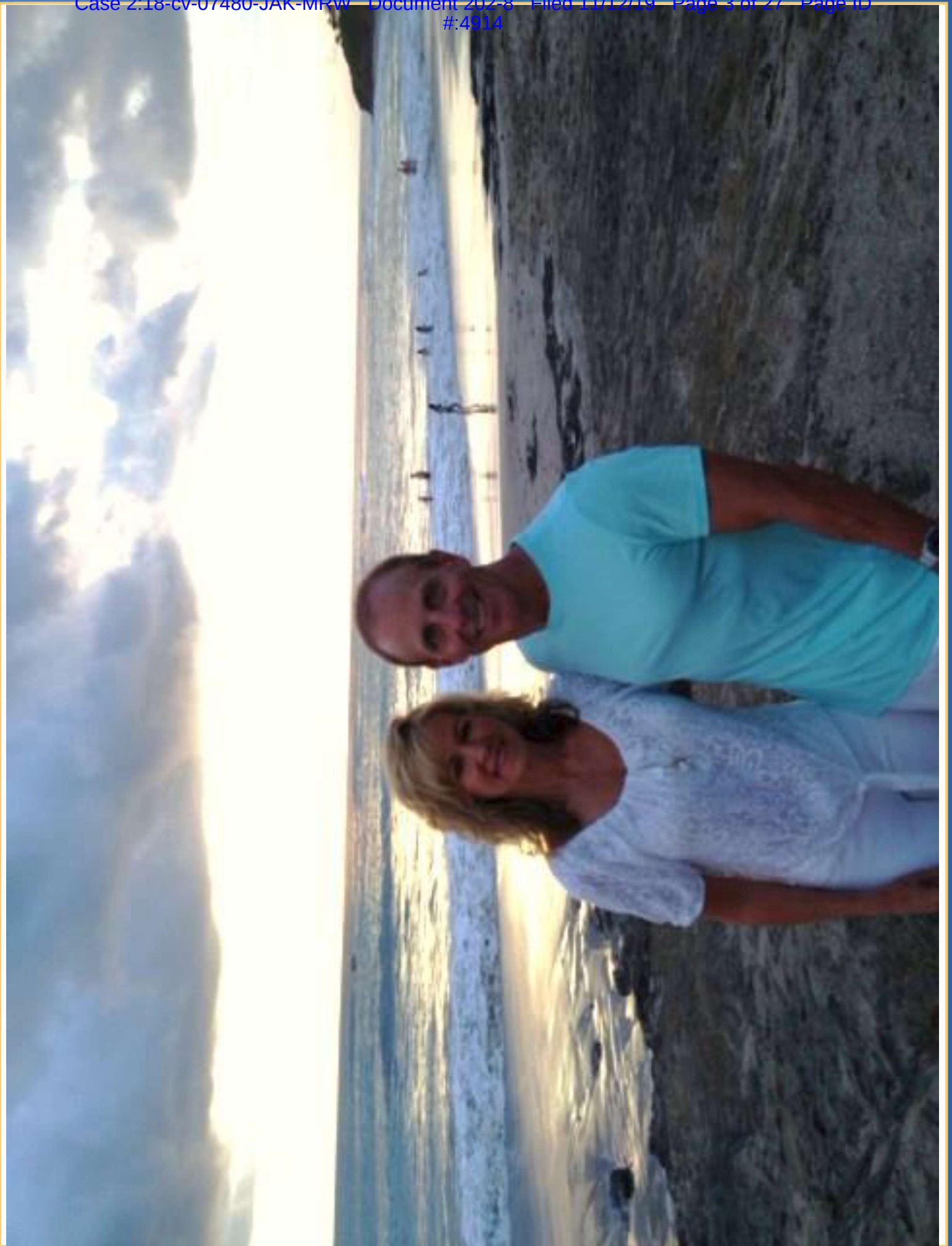


[Herbalife Opportunity Meeting](#)



# EXHIBIT













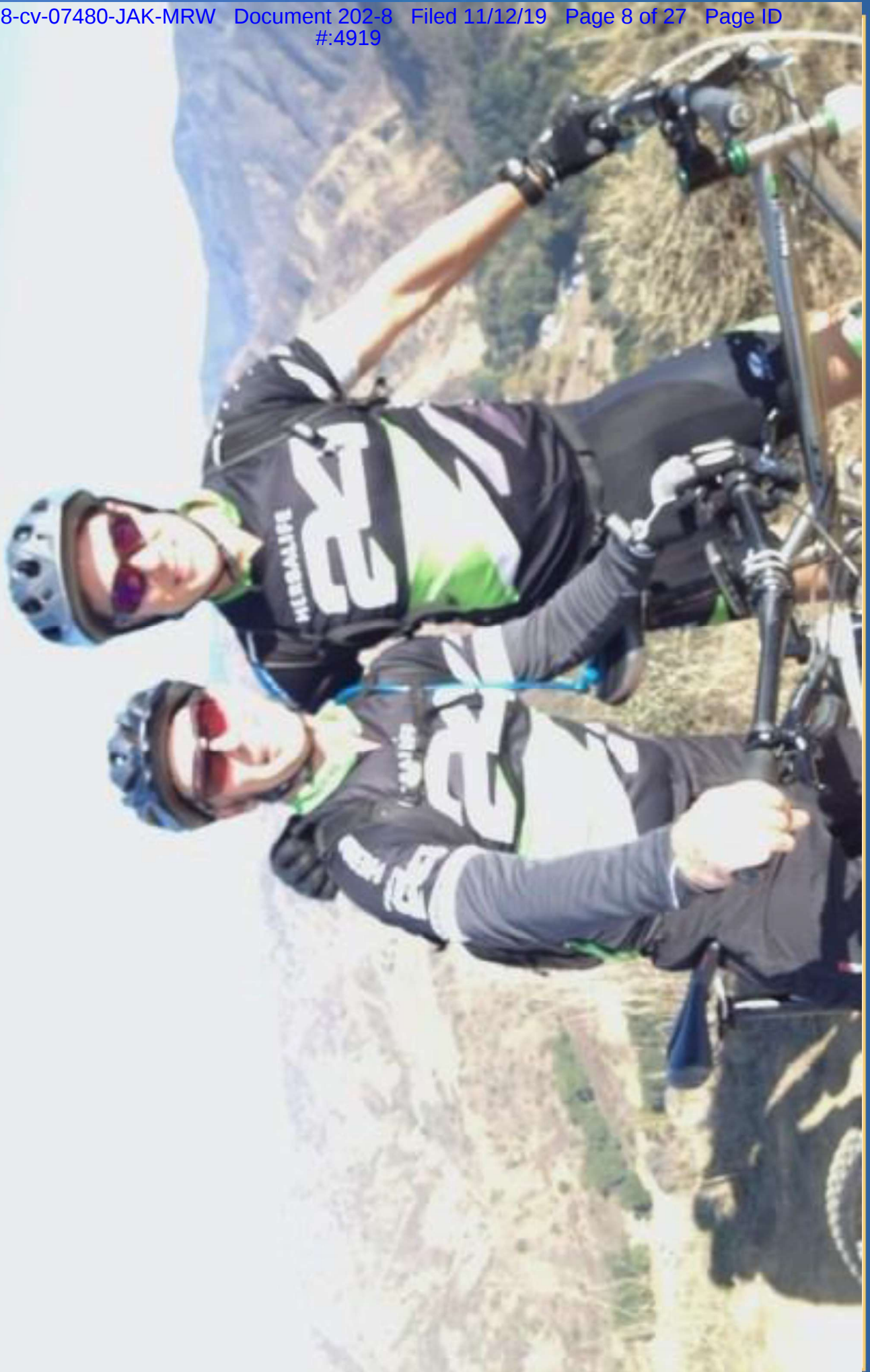






















# Meeting Management- STS

---

- Importance of STS
- Stats- NAM
- Philosophy
- How to Start
- How to Grow an Event

# NAM STS Results



2013 YTD Totals	61634**
**Nov and Dec still to be calculated and added to total!	
2012 YTD Totals	64931
2011 YTD Totals	40124
2010 YTD Totals	26840
YTD % Growth 2012 to 2013	Not yet complete, on track for continued growth!
YTD % Growth 2011 to 2012	61.83%
YTD % Growth 2010 to 2011	49.49%



---

**2010 to 2013**

**Approximately New Tab team members**

**18 New Presidents Team (6 a year)**

**35 New Millionaire Team (10 a year)**

**86 new GET Team ( 28 a year)**

( Information supplied by Local Leadership)



# History

## Review 2010- 2013 Growth

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
• <b>January Spect</b>	<b>366</b>	<b>554</b>	<b>1008</b>	<b>1300</b>	<b>(28.9%) 2210</b>
• <b>February</b>	<b>257</b>	<b>386</b>	<b>572</b>	<b>1341</b>	
• <b>March</b>	<b>383</b>	<b>380</b>	<b>764</b>	<b>1406</b>	
• <b>April LDW</b>	<b>357</b>	<b>662</b>	<b>984</b>	<b>1800</b>	<b>(82.9%) 3060</b>
• <b>May</b>	<b>268</b>	<b>384</b>	<b>924</b>	<b>1484</b>	
• <b>June</b>	<b>300</b>	<b>387</b>	<b>866</b>	<b>1196</b>	
• <b>July LDW</b>	<b>414</b>	<b>704</b>	<b>1042</b>	<b>2100</b>	<b>(101%) 3570</b>
• <b>August</b>	<b>342</b>	<b>440</b>	<b>936</b>	<b>1692</b>	
• <b>September</b>	<b>314</b>	<b>479</b>	<b>980</b>	<b>1586</b>	
• <b>November</b>	<b>355</b>	<b>700</b>	<b>1220</b>	<b>1850</b>	<b>(LB, OC)</b>
• <b>December</b>	<b>320</b>	<b>705</b>	<b>1080</b>	<b>( 1800? )</b>	
<b>Totals</b>	<b>2539</b>	<b>3866</b>	<b>7343</b>	<b>(12355)</b>	<b>(60%)</b>





# Personal Philosophy

---

- We Love Herbalife !***
- We have been given so much !***
- "When much has been given much is expected!"***
- We feel its our obligation to give back!***
- Everything that we get we have a grateful heart!***
- Grateful that we have so many amazing organizations to work with!!***
- We try to never have the attitude "What's in it for me?"***
- Mark's promise, Herbalife's responsibilities***
  - Provide the best PRODUCTS'***
  - Provide the best Opportunity***
  - Always pay us our checks on time!***
  - Everything else is a BONUS!!***

# STS *Philosophy*

---

## Mark Hughes



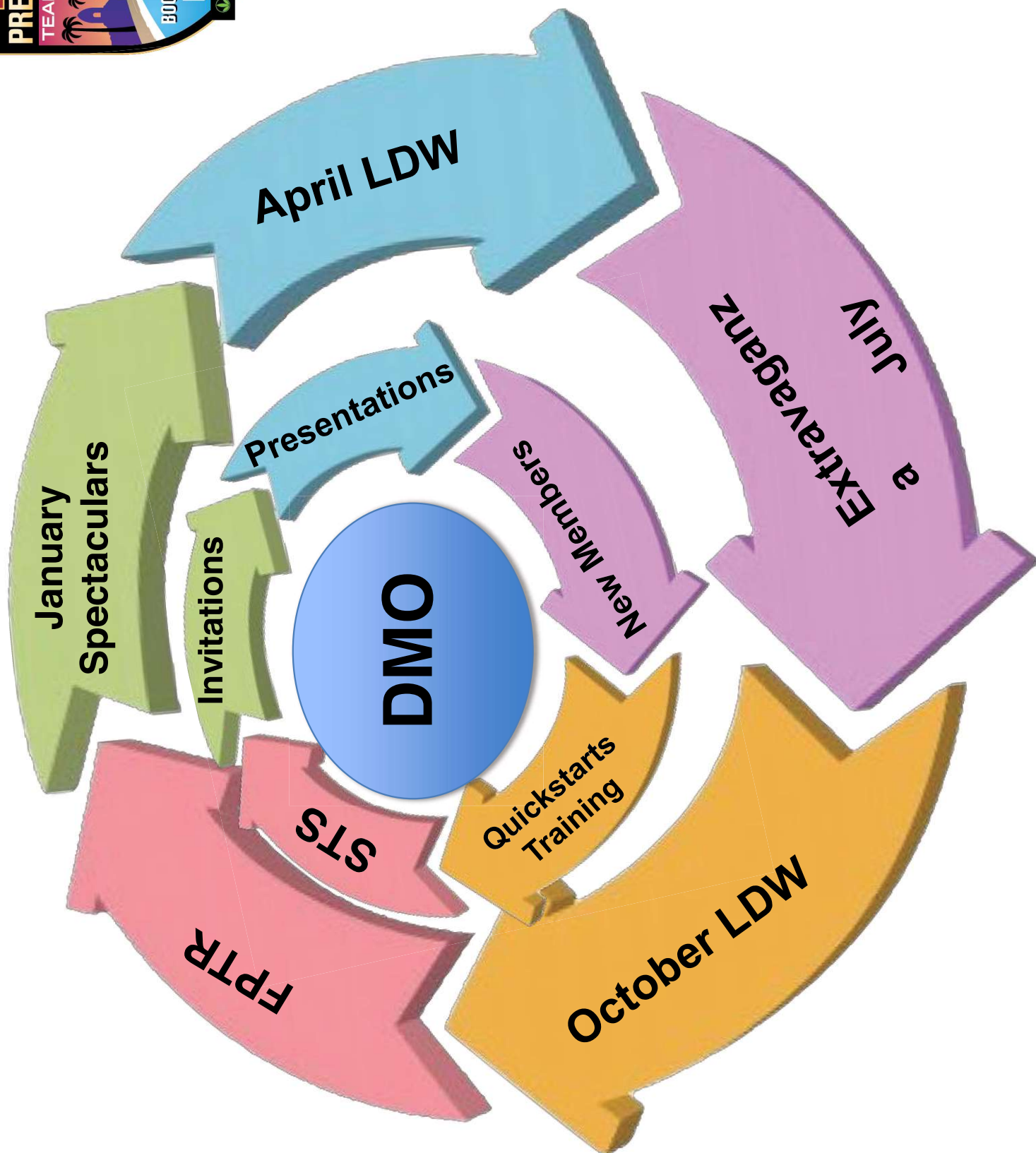


# STS Philosophy

---

## Philosophy

- Imagination - Inspiration - Information
- 80% inspiration-20% information (“if they can do it”)
- It’s not about me!
- We are only the messenger, not the message
- We focus on the best messages (stories) to build the business (DMO)
- We all work together as “one” team HERBLIFE
- It’s a place to grow Leadership
- New people are the most important.
- ( Free, 2 “fer” deal)
- Engage team leaders, volunteers (Take ownership)
- Make people feel good about themselves, you and Herbalife



***SoCalSTS.com***

**Southern California STS  
Expansion**



# SoCal STS Goals



- 1. Goal – Expand into multiple location, Create new ones**
- 2. Supported by a Regional Leadership Team**
- 3. Common Goals / Philosophy**
- 4. Create room for new leaders**
- 5. Standardized Message ( Everything works)**
- 6. Standardized Training Decks, builds confidence**
- 7. Better Leadership Communication (Region)**
- 8. Resource support- (training materials, guest speaker requests , leadership support, )**
- 9. Regional Recognition**
- 10. Regional Promotions : New Guests, New front line.**



# **1. Resources**

## **a. Standard Training Decks (approved)**

## **b. HOM's (approved)**

## **c. STS Agendas**

### **1.HOM**

### **2. Product-Core/24 – targeted products**

### **3. Retail-Rec-Retention (Package, Use,wear,talk)**

### **4. Marketing / Recognition**

### **5. Team Building / Leadership**

### **6. Ethics**

### **7. Personal Development – ( Responsibilities)**

### **8. Next Steps – Promotions – Action Steps**





# ***Starting a new STS***

---



1. **Make a Decision (Does it make sense)**
2. **Engage Local leadership**
3. **Establish a Philosophy, common goals**
4. **Start small ( Quickstart. )(2.5 hr)**
5. **Develop budget**
6. **Locate resources , communities centers, meeting rm restaurants, churches, be flexible !**
7. **Engage your team as volunteers, develops ownership, develops leaders**
8. **Focus on inviting guests**
9. **Establish agenda (Quickstart, or STS).**
10. **Your focus should be “ Give Back First”**



# ***Panel***

---

***Nick Morrow – Millionaire Team***

***Kristi Roberts – Millionaire Team***

***Grant Shelly – Presidents Team***

***Jake Dwyer – 20K Executive Presidents Team***

- **Goals?**
- **NAM did over 1 Billion Sales 2013**
- **STS – approx. 90,000 attendees**
- **NAM Goal 2 Billion**
- **STS need to increase to 180,000**



# • What's it going to take to make this happen?

1. Leaders in in an area stepping up and taking responsibility
2. Commitment, to do it “until”
3. Team effort
4. Leave “EGO”S at the door (it’s not about me)
5. Understanding that we all have different personalities
6. Everyone committed to a common “Philosophy”
7. Give back first !!! Attitude, Not whats in it for me
8. Make the focus about the new guest or member
9. **Everyone working to protect Herbalife!**



# STS History

- Tuesday- Thursday-Saturday-Training (Big Growth)
- Invitation – Presentation- Decision (Big Growth)
- Mark's Organization most meetings were "FREE" (Big Growth)
- His team organized meetings- He supported (Big growth)
- Corporate Run – Distributor Support (Marginal Growth)
- Systems / Internet (Flat Growth) Fewer Meetings
- Distributor Run /Corporate support (Marginal Growth) "Distributors took ownership"
- 2009 FPTR - Dan Waldron – "Leadership Took Ownership"
- Results !!





# EXHIBIT



STS 100K in 2011

# CATCH THE WAVE



If you're wondering how to boost your Herbalife business, but you've yet to attend a Success Training Seminar (STS), now's the time! These crucial events provide you with the skills you need to take it to the next level. After all, with the right training, anything is possible, especially when it comes to setting new records, like being the first region ever to reach a billion dollars in sales!

That's why the STS's are the key to help make your business grow, and to helping others achieve success. "STS's are enough to make a new person say, 'I want to be part of this. I can do this!'" says Mark Matika, Executive President's Team 15K member, who has been an Herbalife Independent Distributor for more than 29 years.

"In 1982 we had the Supervisor's Schools; they were monthly trainings like the STS's," he says. "That's when the first wave [of growth] happened. Then the second wave came in the '90s, and my income almost tripled. It was phenomenal. And now, we are in the beginning of the third wave of Herbalife, so all of you out there: You are in the right place at the right time!"

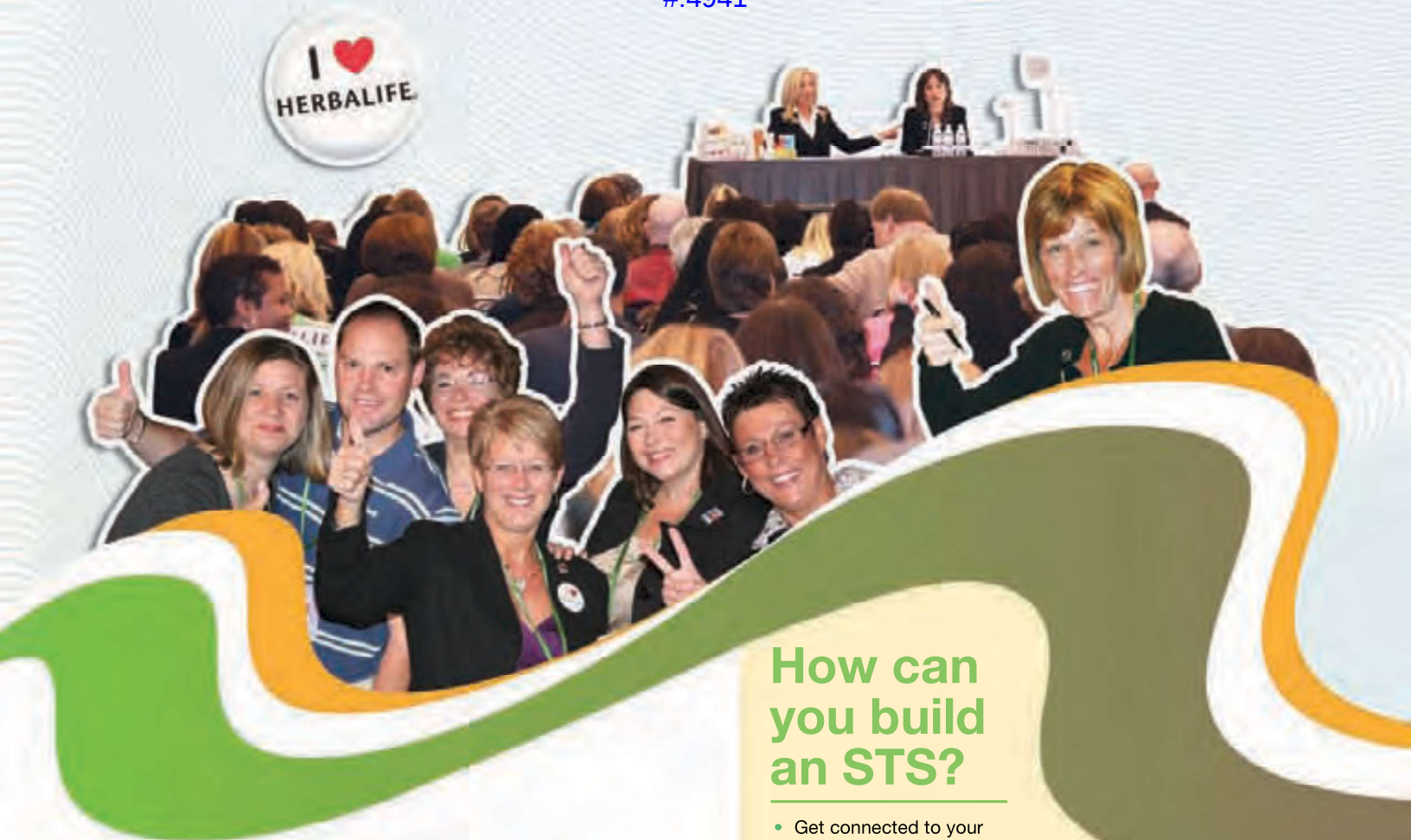
According to Mark, timing is everything. "This third wave has started in 2010, and I want to give you some statistics just to validate what's happening in North America right now," says Mark. "In 2009, we only had 15 STS's and about 7,500 attendees. And what we did, we built up to about 45 STS's, and had 28,588 people in attendance."

"The new goal for this year is 100,000 people attending the STS's, and we're going to pull that off!" affirms Mark. This is an exponential growth that will make North America the first region to achieve its goal and establish a new world record!

## Why do the STS's work so well?

"In an STS, people can feel the soul of Herbalife," says Sergio de la Cruz, Millionaire Team member, and one of Tampa's STS coordinators. "In these events, Distributors and prospects alike learn and reinforce the basic concepts to grow their business."

Since its first collective STS, in which local leaders joined forces to create one big event, Tampa's Volume has grown 54 percent. "Keep in mind that an STS is a team effort, so get



involved with your local support system. If you work to make your support system grow, your support system will work to make you grow,” Sergio adds.

#### **But what if there's no STS in your city?**

Then you have a tremendous opportunity. “The way this works is you’ve got to start somewhere,” says Mark. “A lot of people start in their home, they get a little group together, and before you know it, they have an Herbalife Opportunity Meeting, which works up to a QuickStart, until they finally get an STS.”

If you don’t have an STS locally, Mark recommends going to the one nearest you and learning from it, so you can start your own. “Don’t panic and worry that ‘there’s not enough people in my town; I want to be in a big city’. You can be in a town of 10,000 people and get a few President’s Team members right in that town, so you are perfect, exactly where you are, as long as you work with integrity.”

**For more helpful resources, visit [MyHerbalife.com](http://MyHerbalife.com).**

## **How can you build an STS?**

- Get connected to your local Herbalife support system by asking your upline or reviewing the monthly training schedule at [MyHerbalife.com](http://MyHerbalife.com). You will find all the information you need to contact other Distributors and attend to their meetings.
- If you don’t have an STS locally, go to the one nearest you. Visit the Herbalife Event Calendar at [HerbalifeEvents.com](http://HerbalifeEvents.com) to find the most convenient dates and locations for you.
- Talk to the STS’s coordinators and get involved with the event organization. Take some ownership and learn the logistics until you can bring the knowledge back to your area to start your own.
- Once you’ve coordinated and set up the next STS in your city, establish a goal of attendance, and split the tasks among your team.
- Finally, promote your event and invite as many people as you can!

### **Also listen to these informative calls:**

#### **STS Catch the Wave Momentum Calls (6:30 p.m. PST)**

Participants: 866-903-5314  
International: 706-634-5671

#### **Dates:**

05/09/2011  
06/06/2011  
07/11/2011  
08/08/2011  
09/06/2011  
11/07/2011  
12/12/2011

# EXHIBIT





Facebook

Heather Gregg added a photo in Herbalife 2-4-1.



**Heather Gregg**

May 29 at 9:16am

This was posted by new presidents team member, Bill Garvey & reposted by Pres Team Lori Baker.

THE pathway to advancing in the business can ONLY be done by attending the events and bringing people with you.

Be SURE you have your calendar filled with the dates of all events first... then plan in everything else around those dates.

Extravaganza is the BIGGEST and MOST IMPORTANT event to attend. Be sure you've made your arrangements and have your ticket!!



This was posted by new presidents team member, Bill Garvey & reposted by Pres Team Lori Baker.

THE ...



Like



Comment

# EXHIBIT 1



**From:** "Herbalife Supplement" <usa@herbalifemail.com>  
**Sent:** Wed, 7 Oct 2015 22:03:44 -0400 (EDT)  
**To:** <izaarvaldez@yahoo.com>  
**Subject:** We're kicking off October with two great announcements!

---

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.



The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

New promotion. New qualifications. New rewards! Qualify now to earn up to \$300 plus VIP Seating or Preferred Seating at the January Kick-Off Events! [Details](#)

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

Tropical views and white sand beach await you! Qualify and indulge your senses at the stunning Hard Rock Rivera Maya. Take advantage of **October Double Volume** to earn up to 5,000 Volume Points toward this all-inclusive 2016 NAM Vacation of a lifetime. Continue qualifying now!

[Details](#)

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

**Level 1 now offers you even more rewards!**

Meet qualifications for another three consecutive months to earn an additional gift!

Access the tracker to see how close you are to qualifying for October. Make a plan and achieve even more success.

[Track your progress](#)

[Details](#)



### Join us in Los Angeles and advance your success in 2016!

You have just a few more months left to qualify for this exclusive **Future President's Team Retreat** experience, so hurry! For \$100, you'll attend interactive training sessions, mix and mingle, and learn strategies to take your Herbalife business to the next level. Secure your spot today!

### [Purchase tickets](#)

### [Details](#)



### October is the month to enhance your business!

Sharpen your skills and take your team to the next level. There is still time to purchase your tickets online for select cities. Go to [HerbalifeEvents.com](http://HerbalifeEvents.com) for additional details and to see which incredible leaders will be speaking at a city near you and other details.

### [Buy tickets](#)



### Make Cancun an event to remember!

The Early Bird tickets are now available for the **2016 Herbalife Honors**. Plan now for **March 16–19** to learn from the world's top leaders, Herbalife executives and more. This will be an inspiring experience you won't want to miss!

### [Ticket details](#)

Visit [HerbalifeHonors.com](http://HerbalifeHonors.com) for event details.



### Share the inspiration and order **CR7 Drive** today!

Cristiano Ronaldo is driven to perfection. He provides his personal product testimony and attests to the benefits of using Herbalife24® **CR7 Drive!** [Watch clip](#)

Share the **Drive Your Destiny video** with your clients and order today! **Order CR7 Drive**



### Get instant access to your earnings

Now you can have your Herbalife earnings instantly deposited into your account with **EFT Direct Deposit**. It's easy and convenient. Go green and sign up on **MyHerbalife.com**.



### Business Tool of the Month!

The updated **Success Training Seminar (STS) Product Presentation** helps guide you through the presentation of all Herbalife® products, including **CR7 Drive**, as well as their features and benefits. Use it at your next organizational meeting to help new Members achieve greater success.

**Download now**



### Be a brand ambassador and protect your business

Grow your business with CR7 Drive! Download all the approved assets today and read the CR7 Drive advisory. It provides important guidelines regarding our **relationship with Cristiano Ronaldo** and how to promote this great new product.

**Read advisory**

---

**MyHerbalife**  
**Volume**

**Order**  
**Subscriptions**

# EXHIBIT 11

**From:** Unspecified Sender  
**Sent:**  
**To:**  
**Subject:**

---

----- Original message -----

From: Herbalife United States <usa@herbalifemail.com>

Date: 04/08/2014 11:01 AM (GMT-05:00)

To: prodgersfl@yahoo.com

Subject: HerbalifeExtravaganza.com â€œ All things Herbalife Extravaganza just a few clicks away!



To view this email as a web page, go [here](#). | La versión [español](#)

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

April 10, 2014

## Say Happy Mother's Day with Herbalife SKIN Products

Give every mom on your list the gift of beautiful, healthier, younger-looking skin with this special promotion. Purchase three **Herbalife SKIN 7 Day Results Kits** and receive a FREE silver Herbalife SKIN branded cosmetic bag.

 [Learn more »](#)

 [Order today »](#)

## Help Families Struck by Disaster

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

The recent **8.2 earthquake in Chile** displaced thousands of people, many without basic necessities. **The Herbalife Family Foundation** is responding and we need your help.

## Chicago in July... Early Bird Tickets now!

Countdown to 2014 Herbalife Extravaganza is on! Get your Early Bird tickets now for just \$90, and take to Chicago **July 18-20** for the biggest Herbalife event of the year.

 [Purchase tickets »](#)

Visit [HerbalifeEvents.com](http://HerbalifeEvents.com) or call 866-866-4744 for event details.

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location. [Learn more »](#)

## Just announced!

Our 2015 Herbalife Summit will take place **March 4-7, 2015** in Los Angeles, CA!

[Qualifications »](#)

## Important System Downtime Notice

Herbalife systems will be down for maintenance and upgrades from **Saturday, April 12 at 4:00 p.m. PDT to Sunday, April 13 until 2:00 p.m. PDT**

## Events Schedule

## Join the call to Build It Better

Join the call on **Wednesday, April 16 at 6:00 p.m. PDT** to hear Brook Kirwin, Executive President's Team 20K, speak on *Packaging Your Story: Part 2*.

 [Dial-in numbers »](#)

## Need a protein boost? Just add water

**Herbalife Creamy Chicken Soup Mix** gives you 16 g. of satisfying protein with just 80 calories. Add hot water and stir for the perfect anytime snack. Or, add less water and make a delicious gravy.

 [Order today »](#)

## Hydrate and refresh with this Herbalife SKIN essential

Formulated to help hydrate and gently condition your skin without the feel of dryness or stinging, **Herbalife SKIN Energizing Herbal Toner** is paraben-free, sulfate-free and dermatologist tested.



[Order today »](#)

## Congratulations VIP Qualifiers: Get ready to take charge!

The stage is set for an inspiring April Leadership Development Weekend near you, and the VIP qualifiers have been announced.



[View VIP qualifiers »](#)



[Purchase tickets »](#)

Visit [HerbalifeEvents.com](http://HerbalifeEvents.com) or call 866-866-4744 for event details.

## Herbalife Update

The [DistributorNotification@Herbalife.com](mailto:DistributorNotification@Herbalife.com) mailbox, referenced in Telemarketing Rule 28-F, was not working properly. The problem has now been fixed. If you had any issues sending an email to that address, please resend.

## Founder's Circle and Chairman's Club Tours

| 90 Day Plan | Various Cities

[View schedule »](#)

## APRIL 2014

### Leadership Development Weekend

Various Cities/Dates

[Purchase Tickets »](#)

## JULY 2014

### Herbalife Extravaganza

Chicago, Illinois

Save the date:

**July 18 - 20**

[Learn more »](#)

## Get Connected!

Follow What's Happening at the Herbalife Corporate Offices. Check out the latest announcements and videos from Herbalife!

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

This email was sent by: **Herbalife International of America, Inc.**  
800 West Olympic Blvd., Suite 406, Los Angeles, CA, 90015, USA

[Unsubscribe](#) | [Update Profile](#) | [Manage Subscriptions](#)

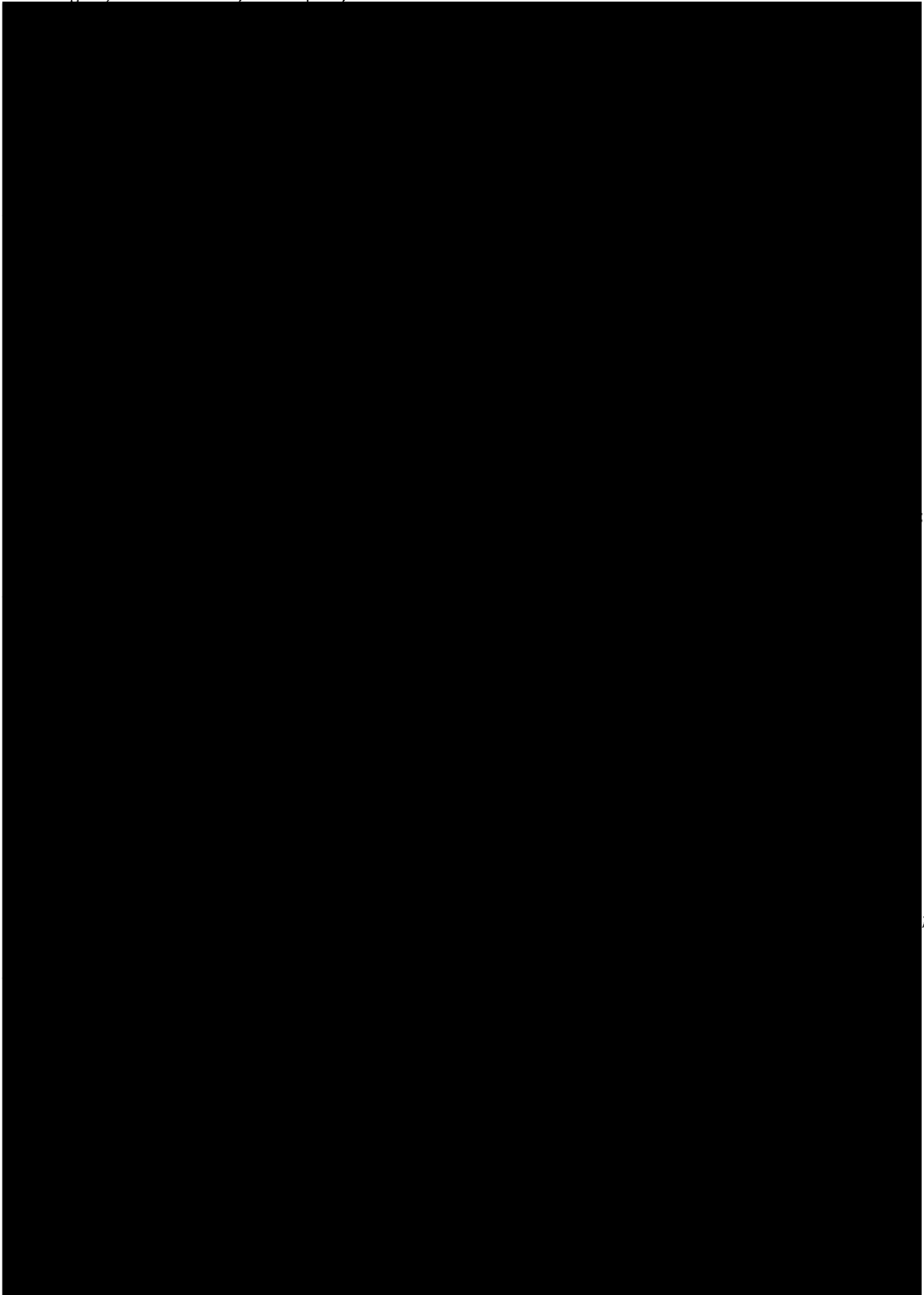


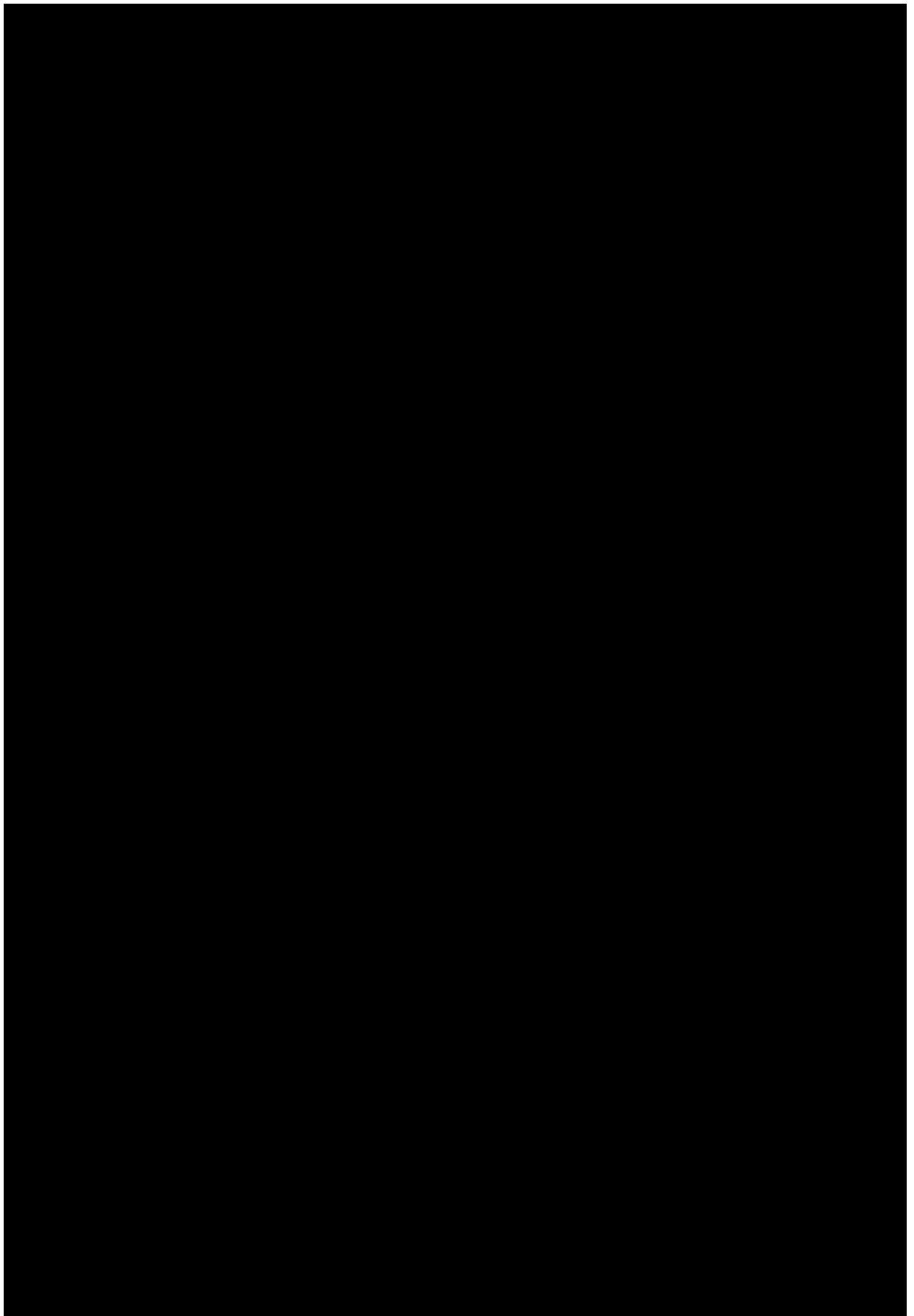
# EXHIBIT 1

Message

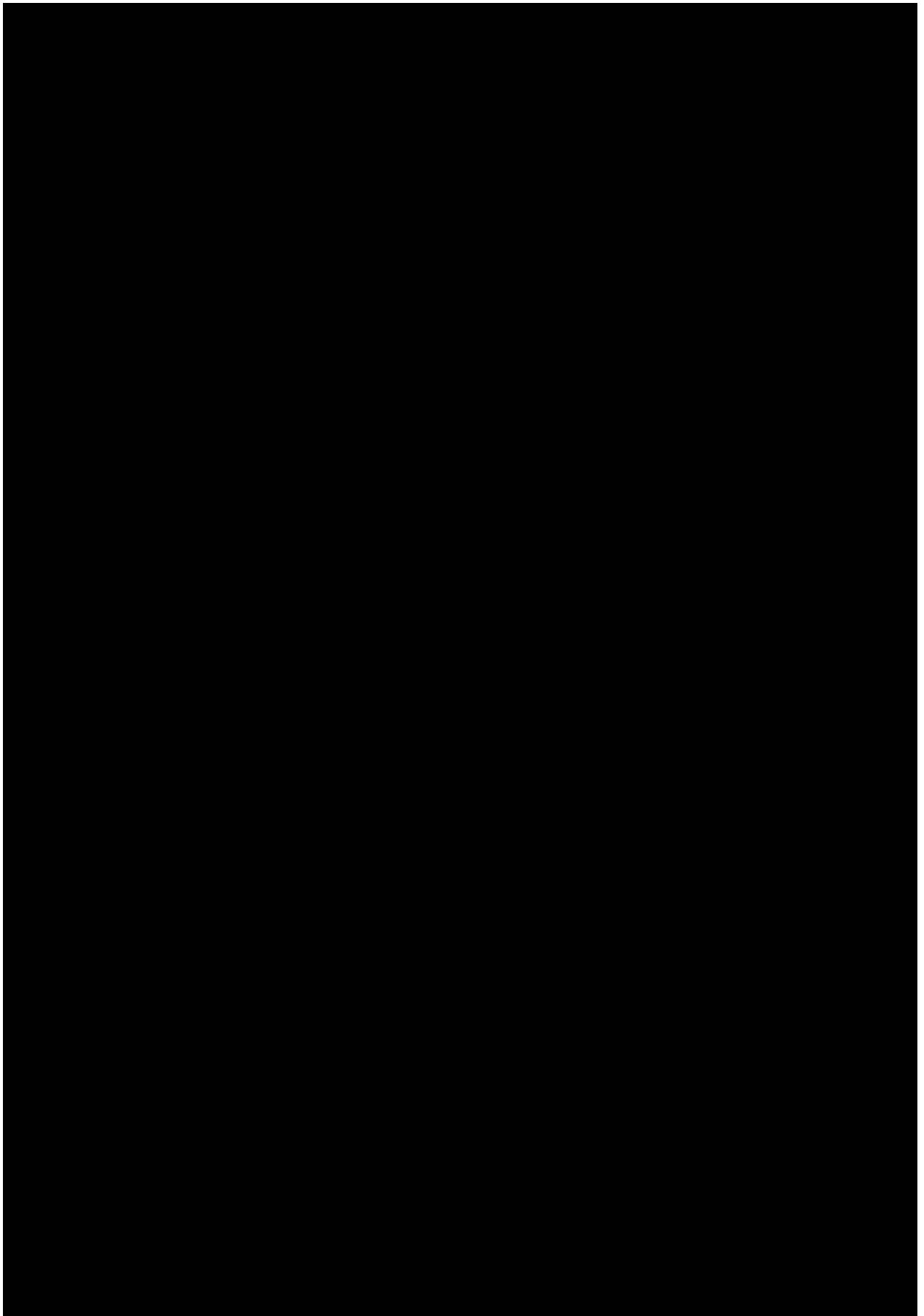
---

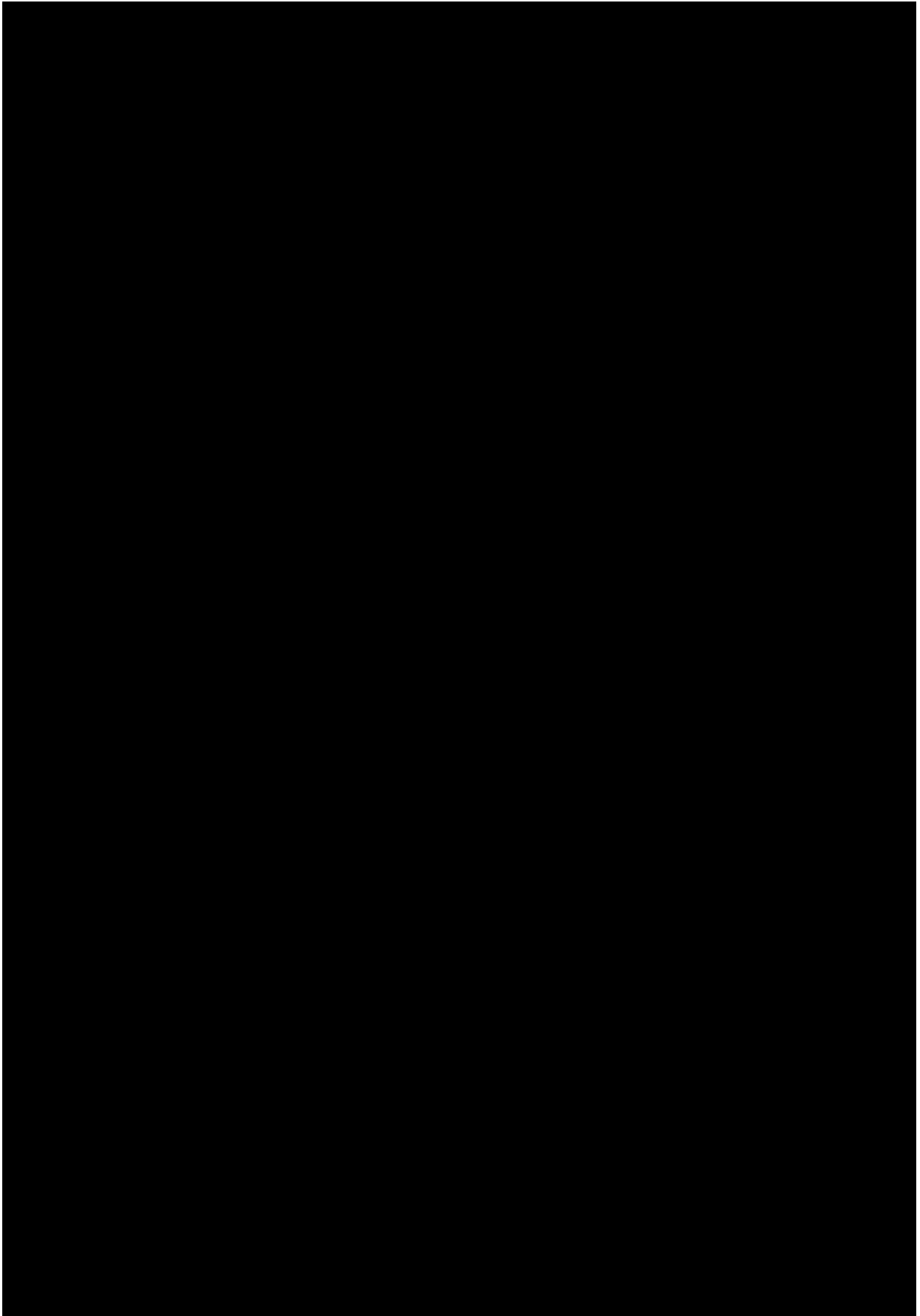
**From:** Kristin Fauth [Kristin Fauth]  
**Sent:** 8/16/2013 5:13:21 PM  
**CC:** Bob Bogard; Saul Hernandez; Alex Topete; Cesar Rodarte  
**BCC:**

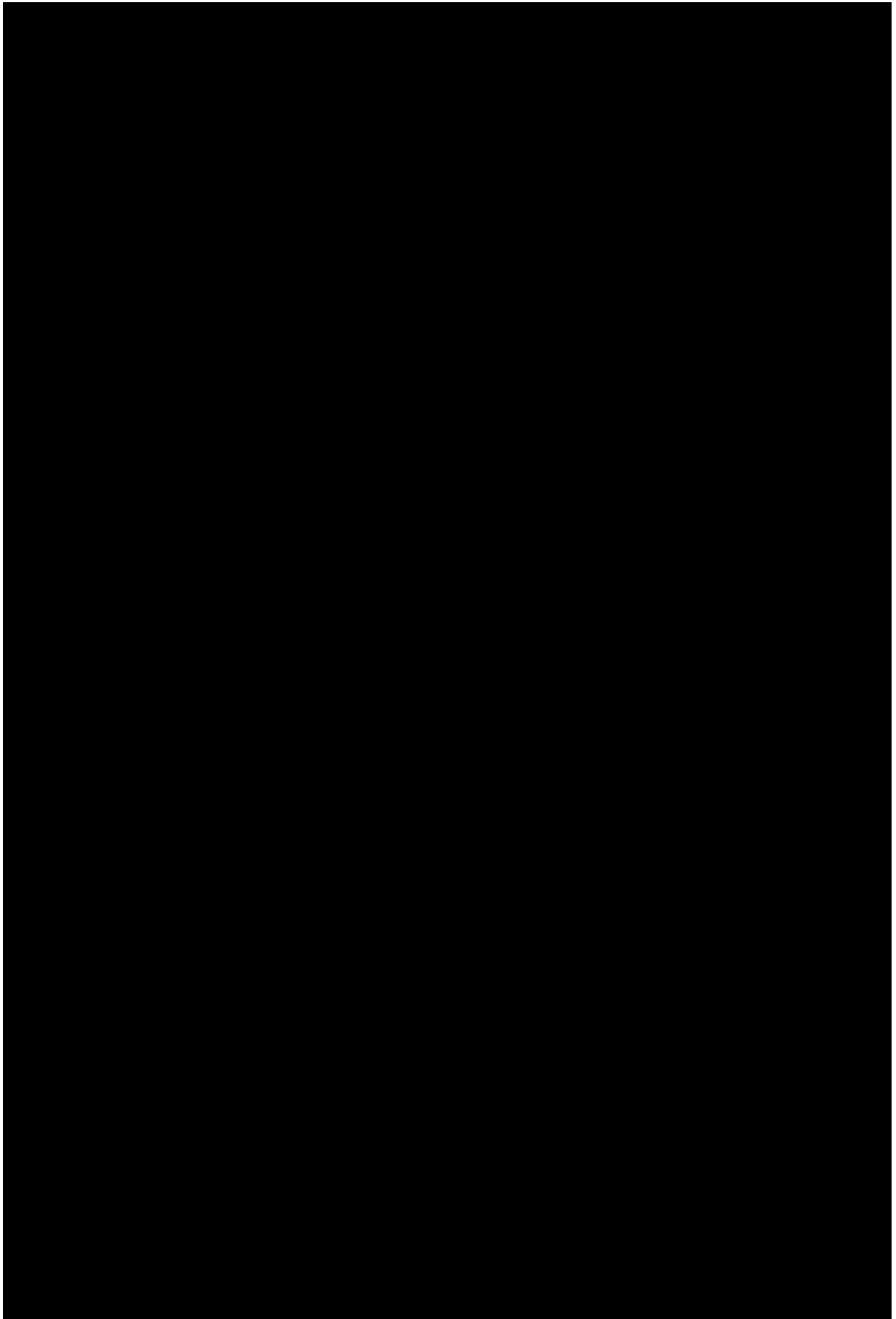


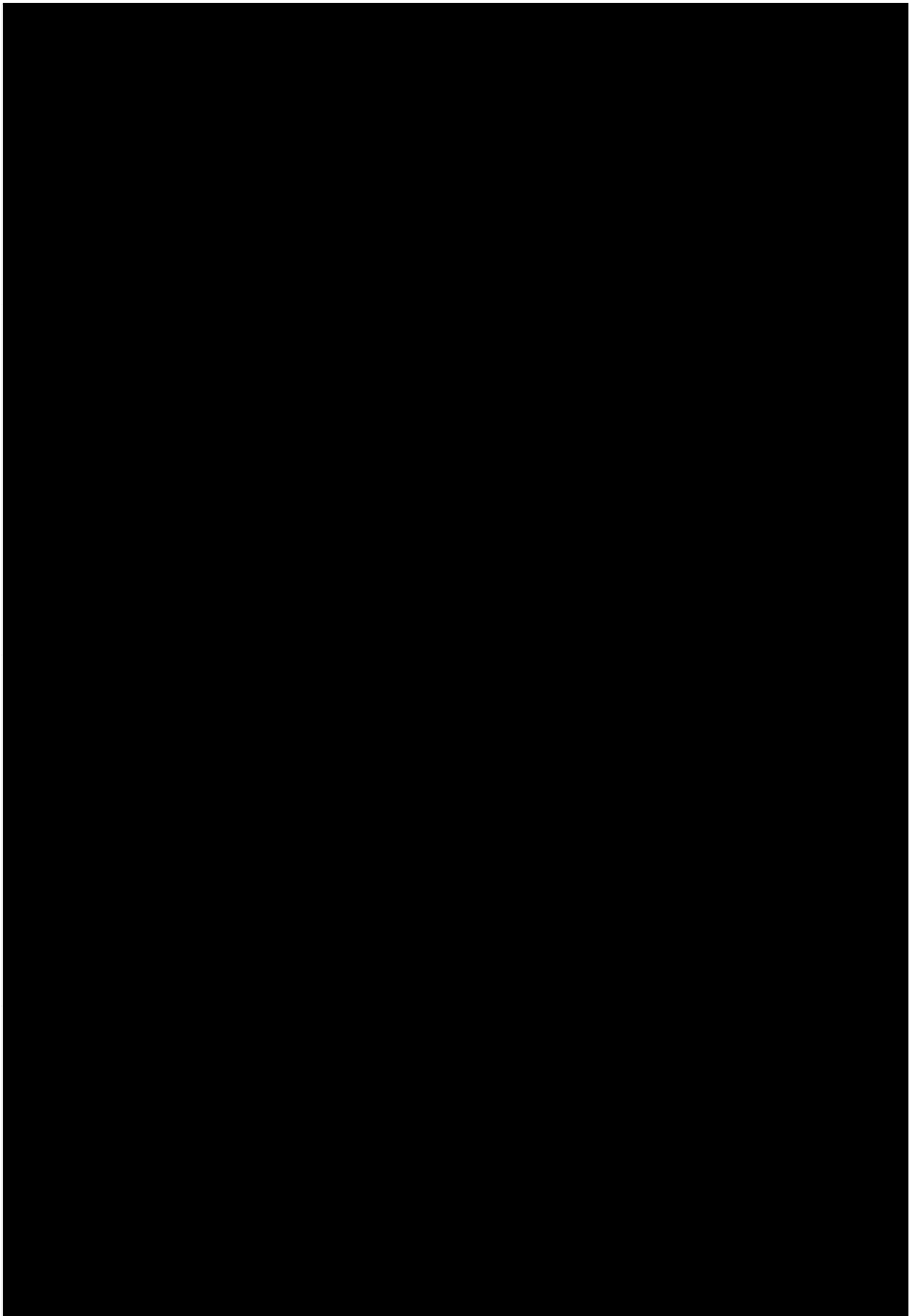


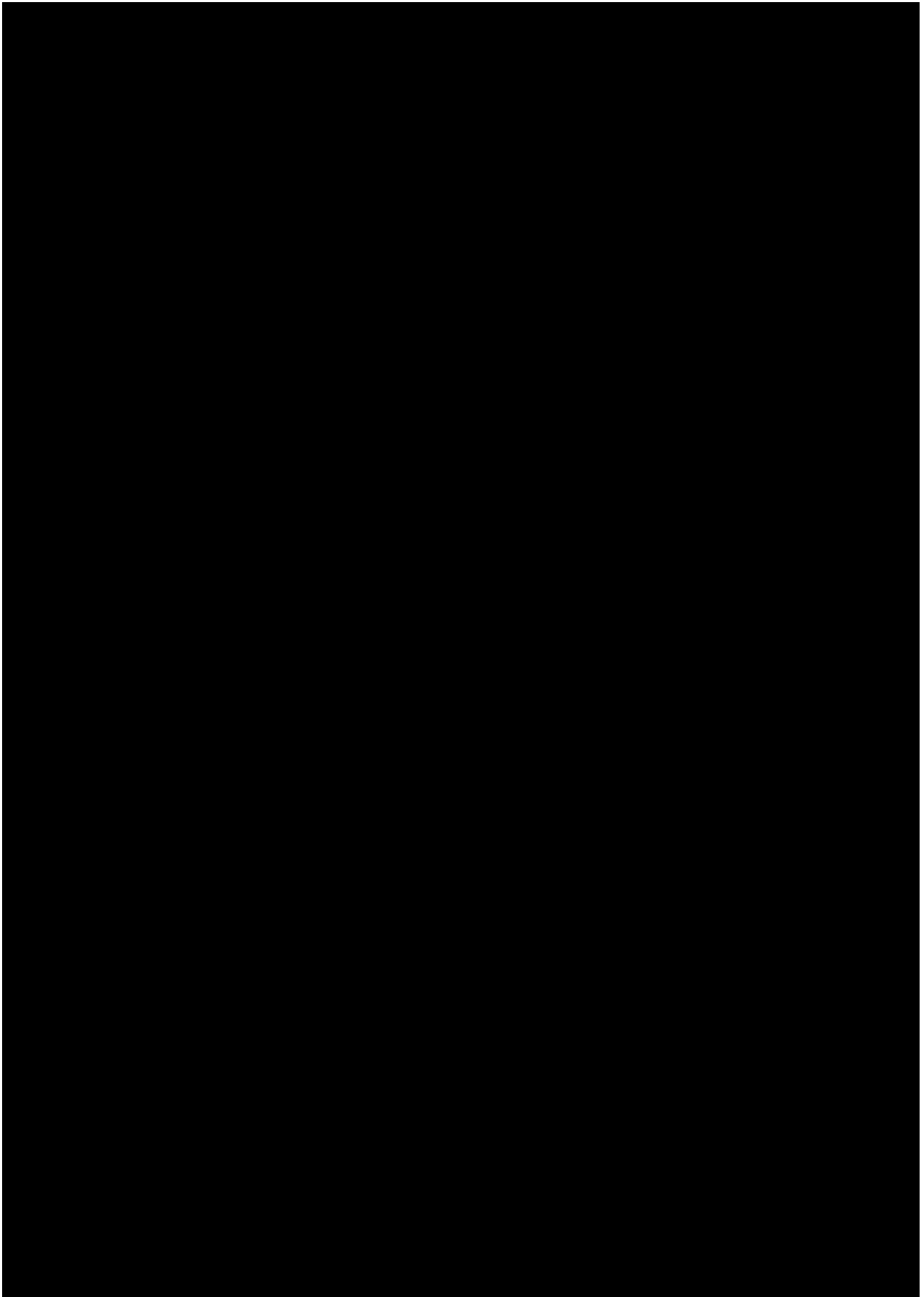


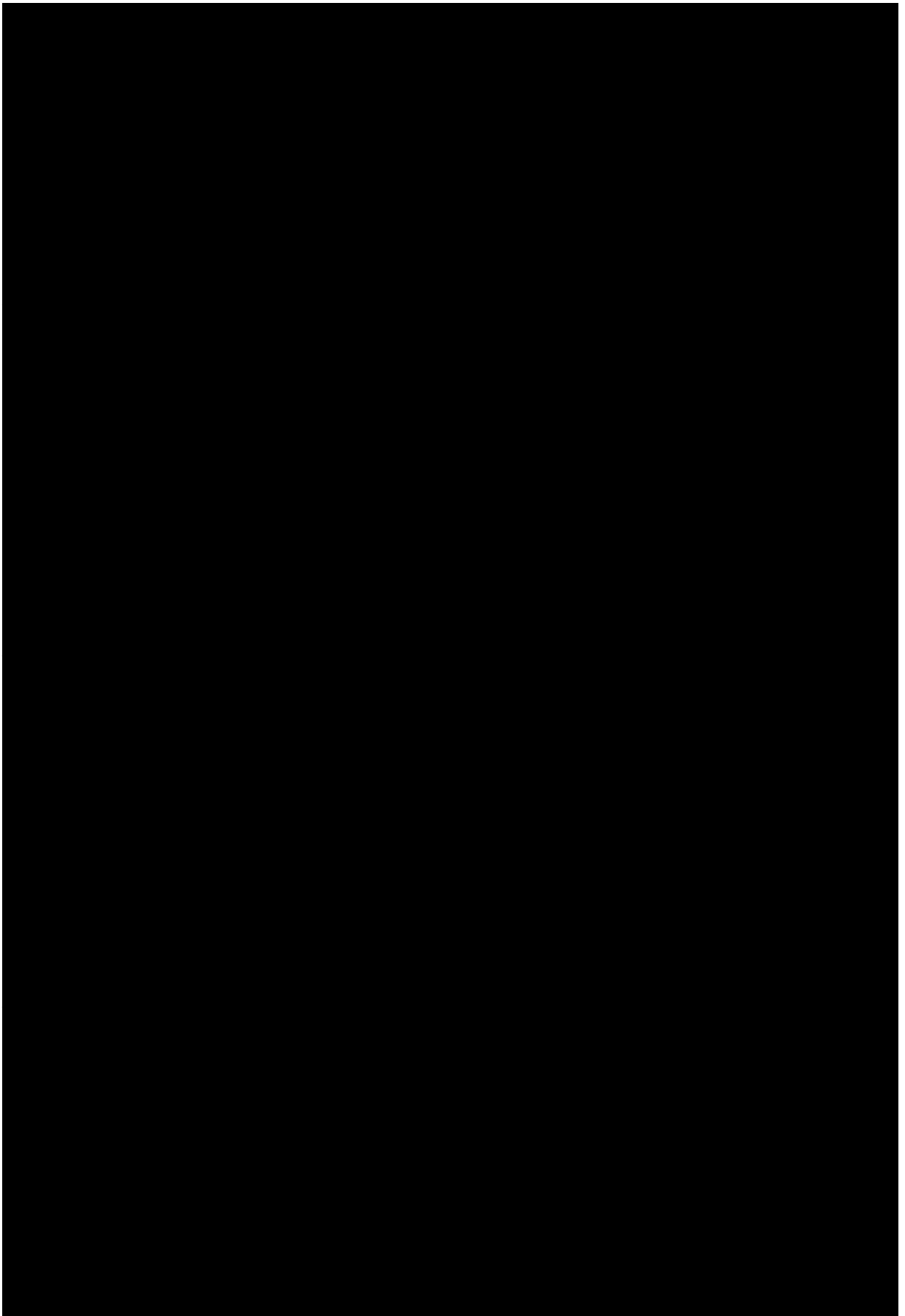




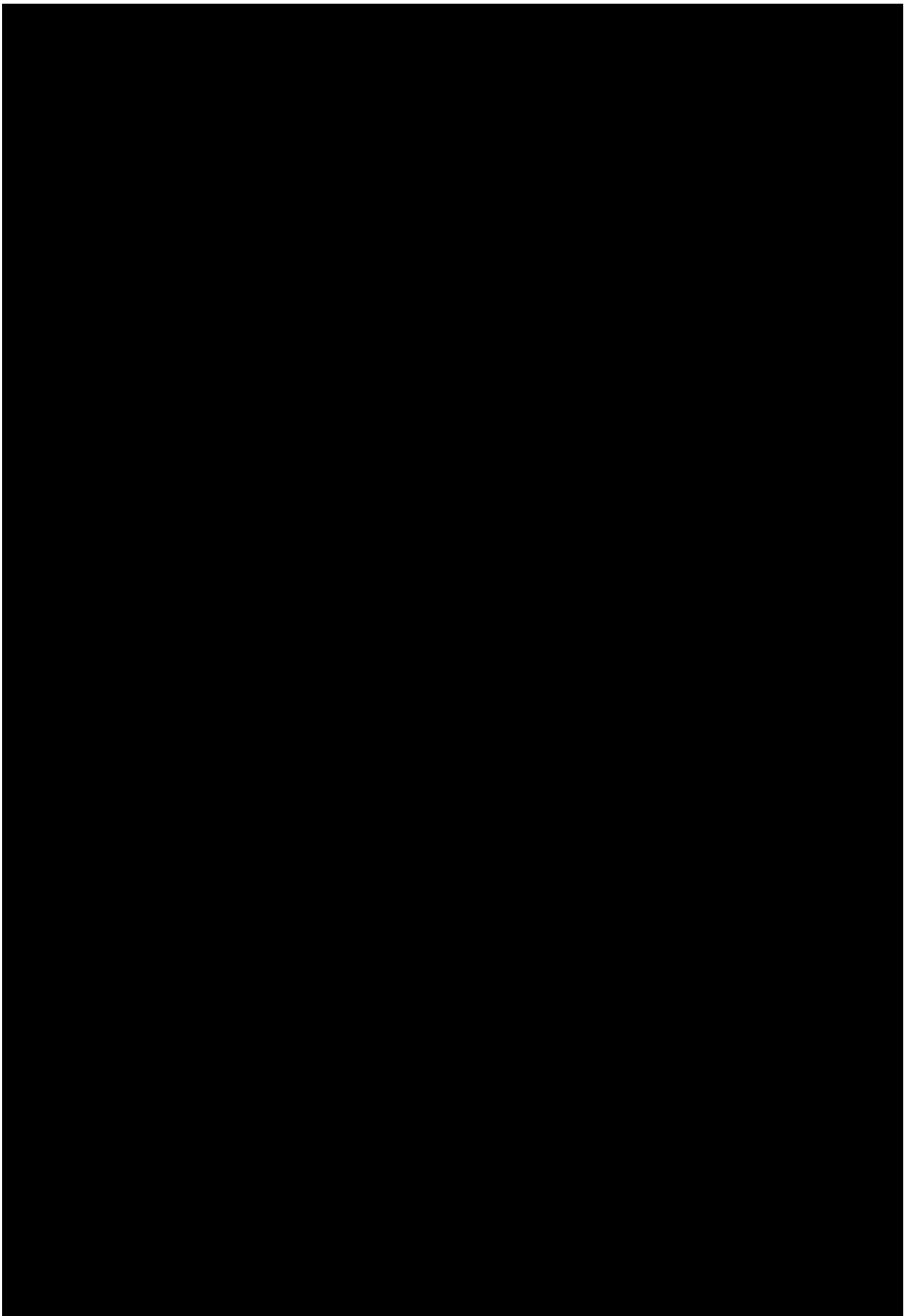


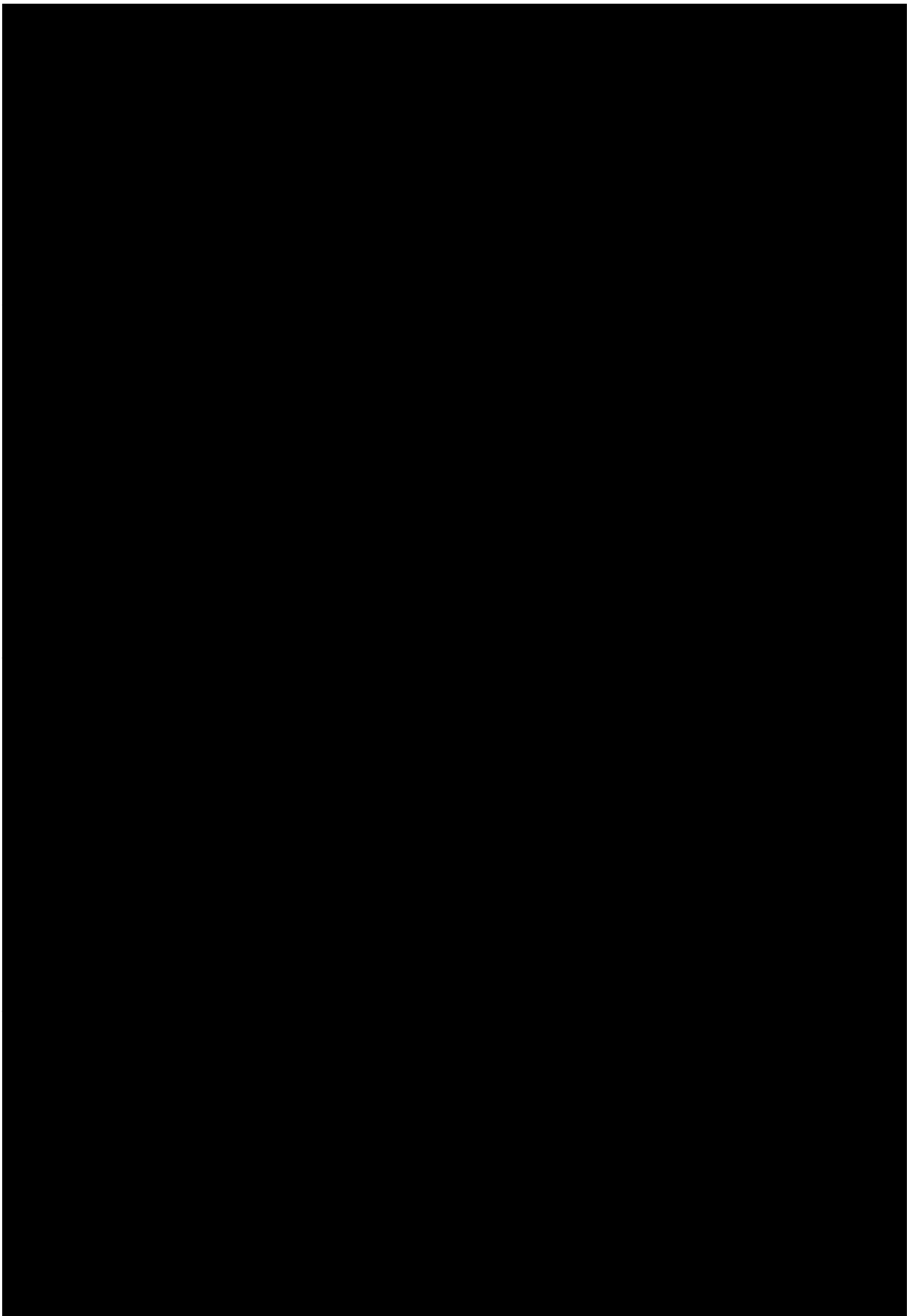


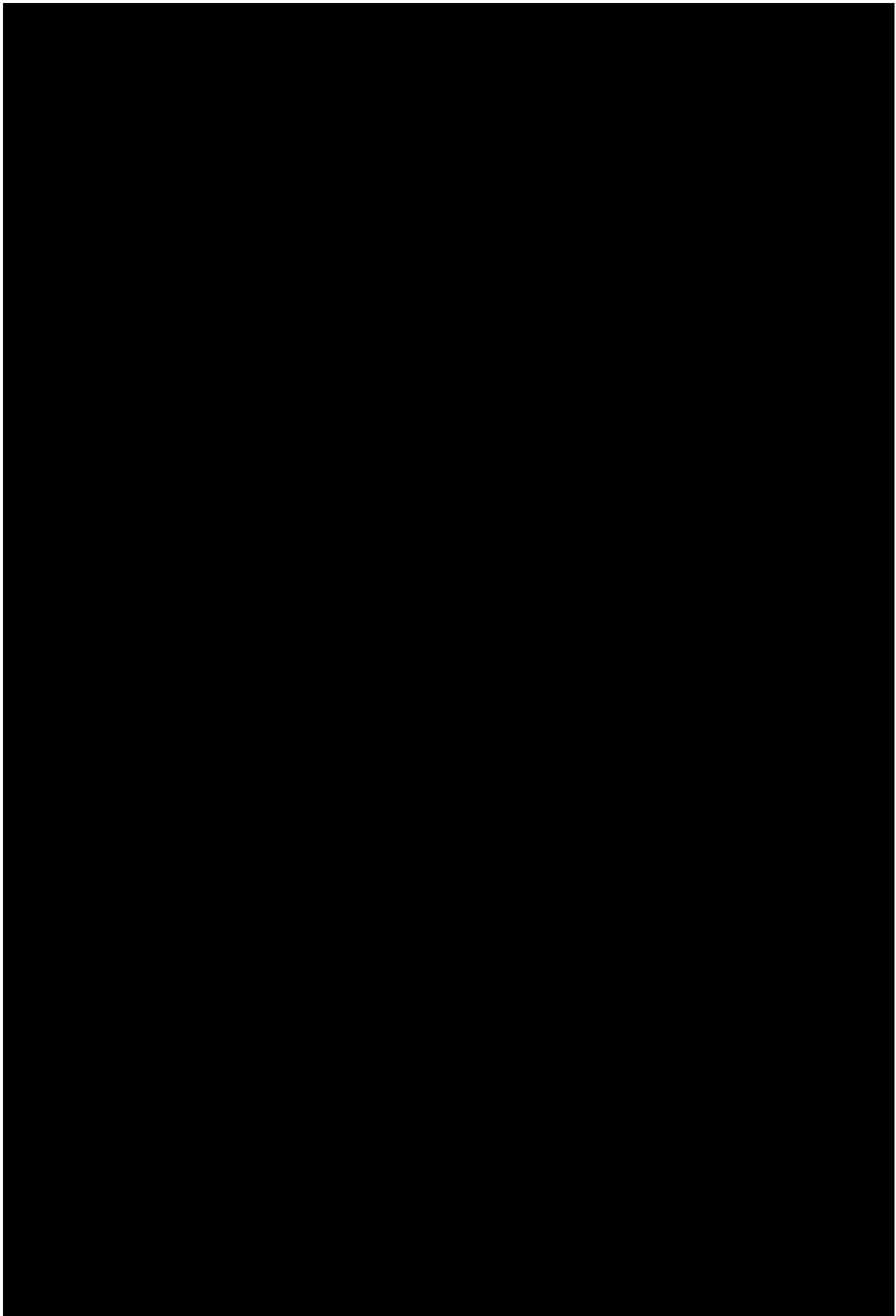


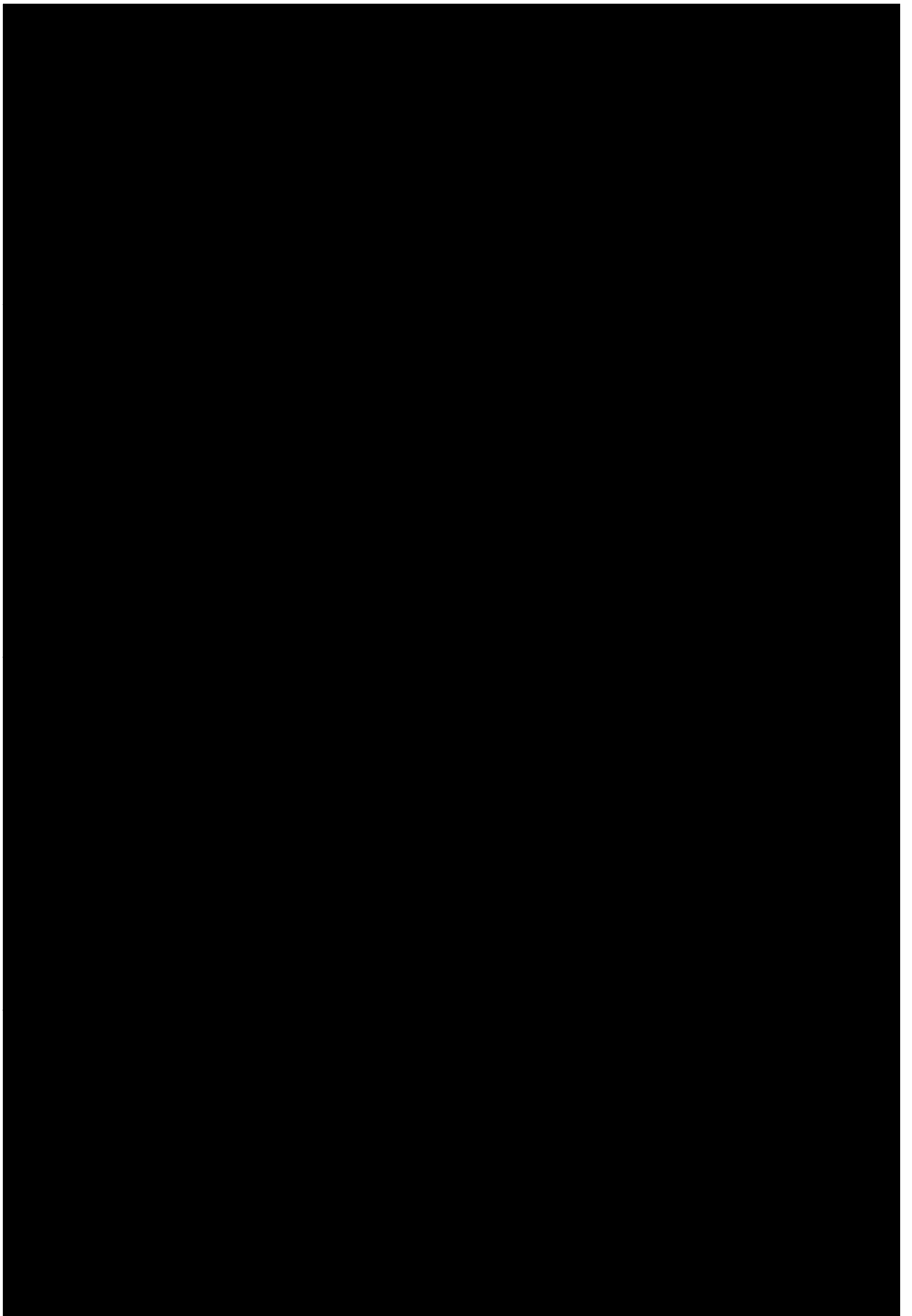


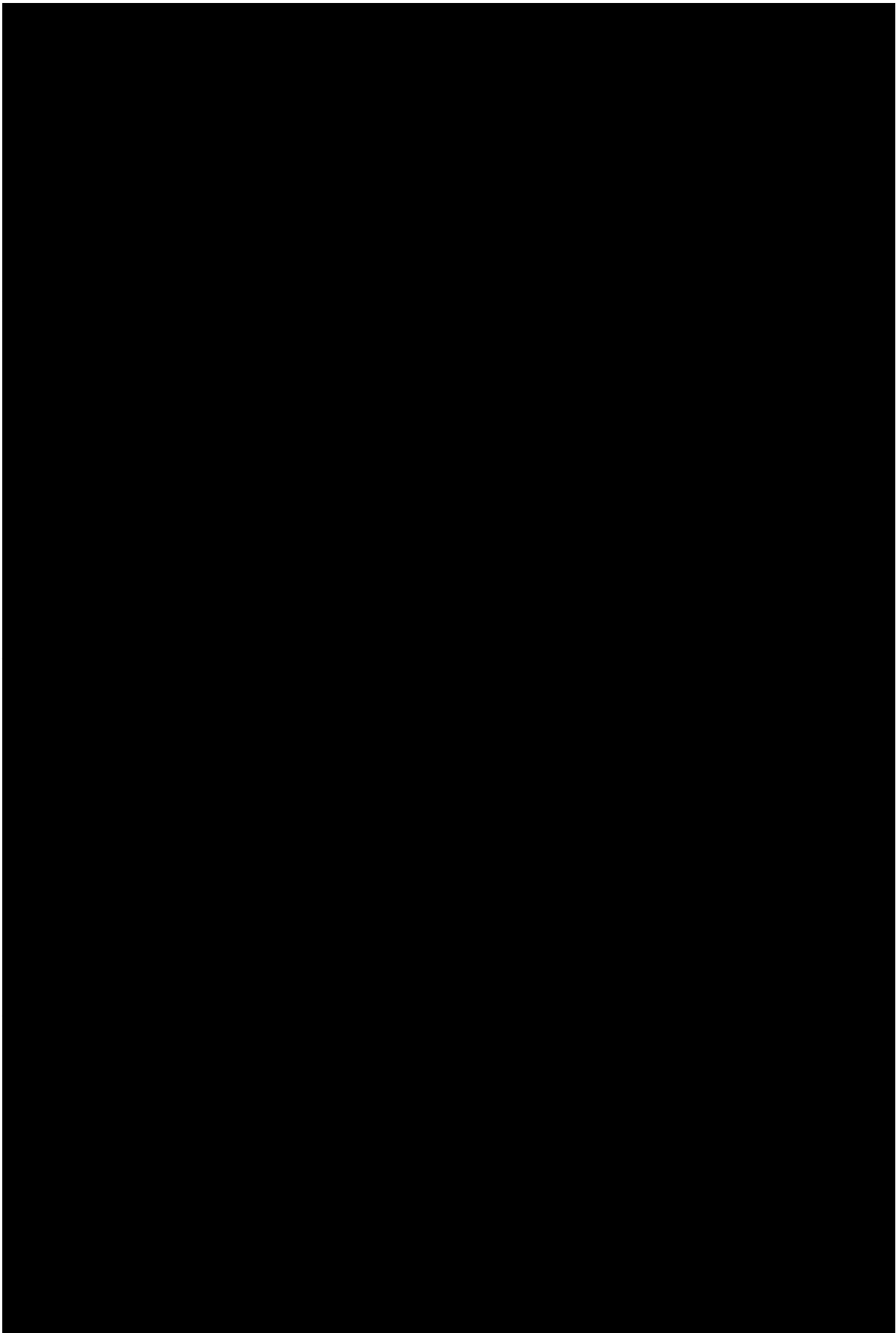


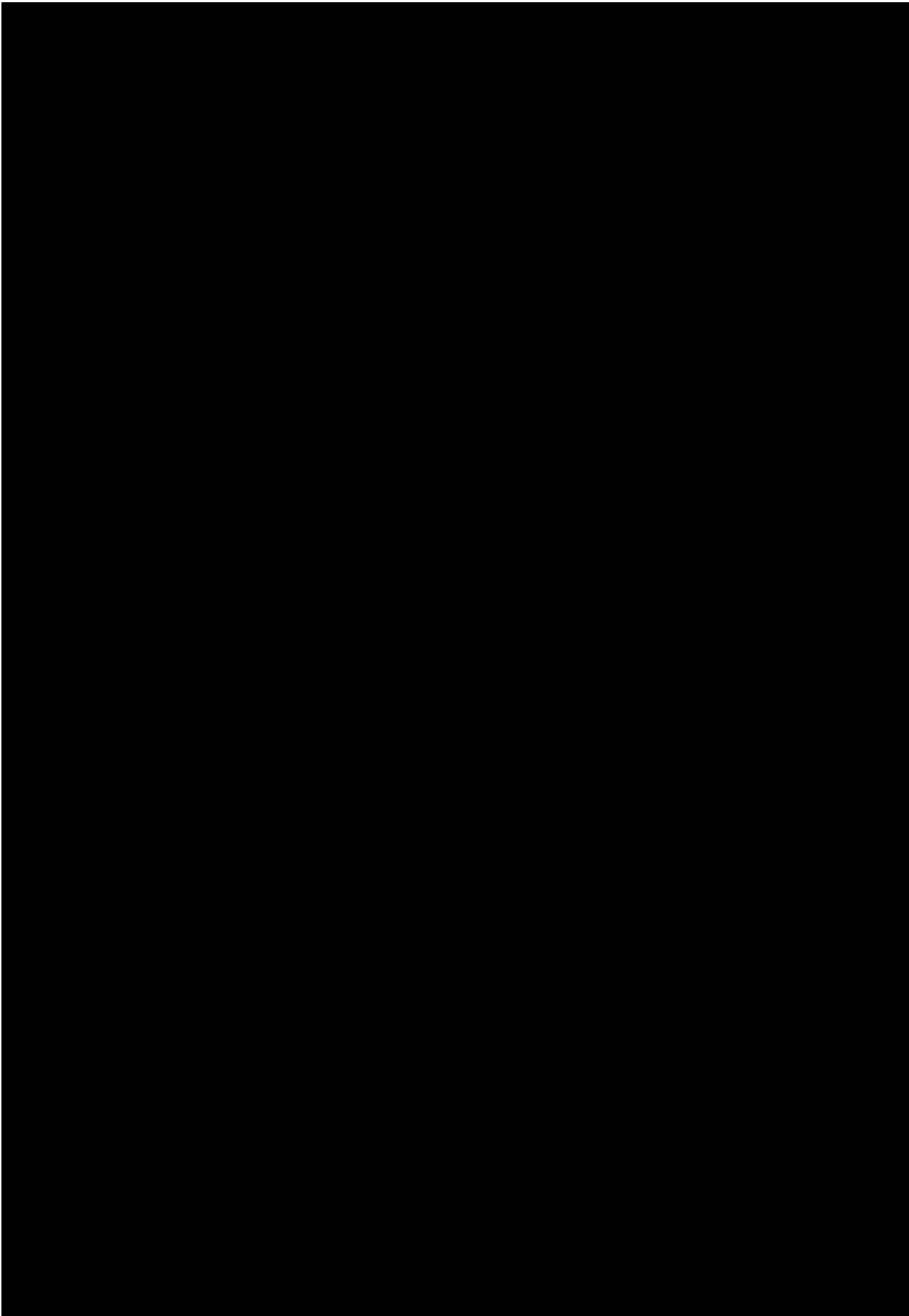




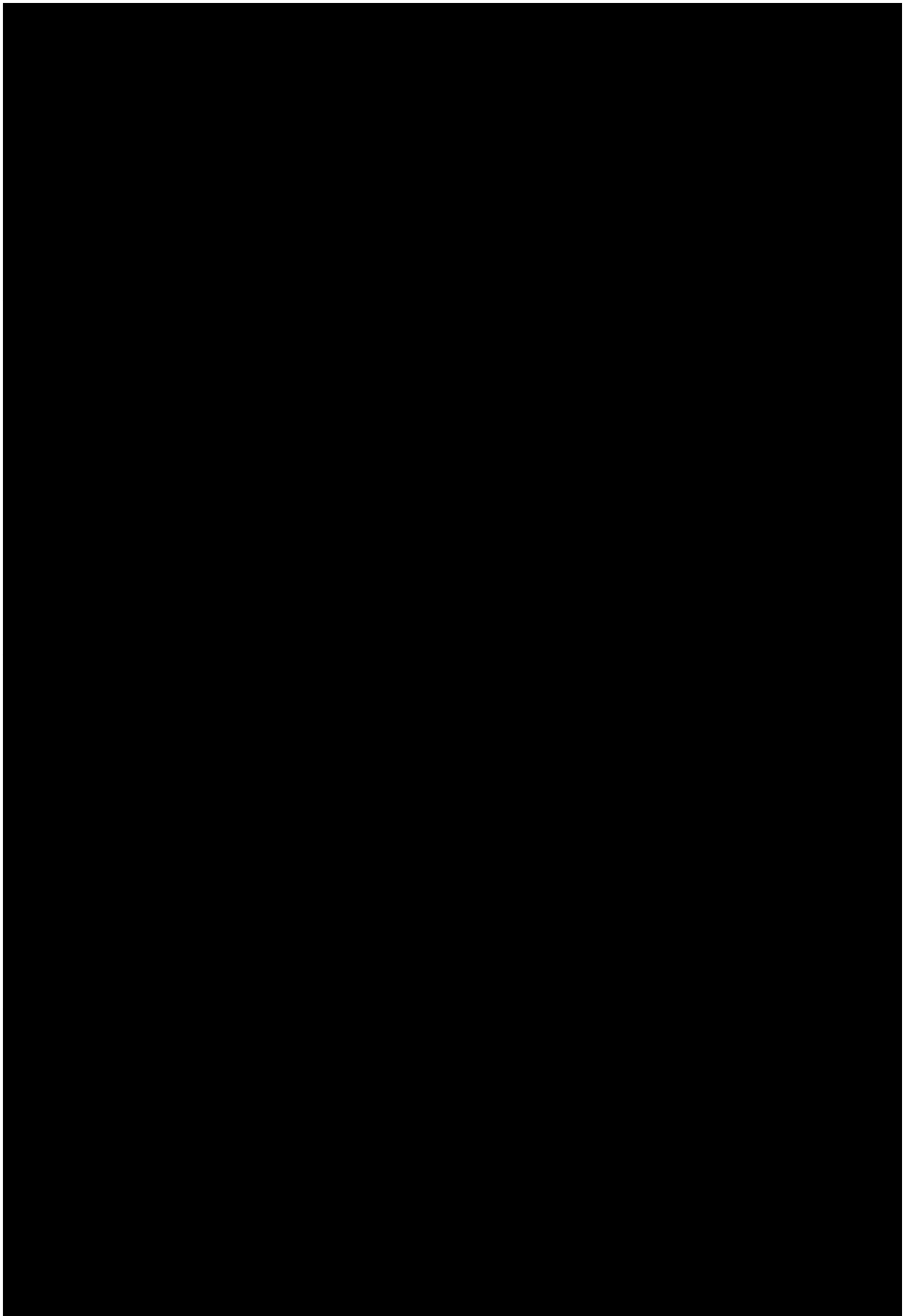


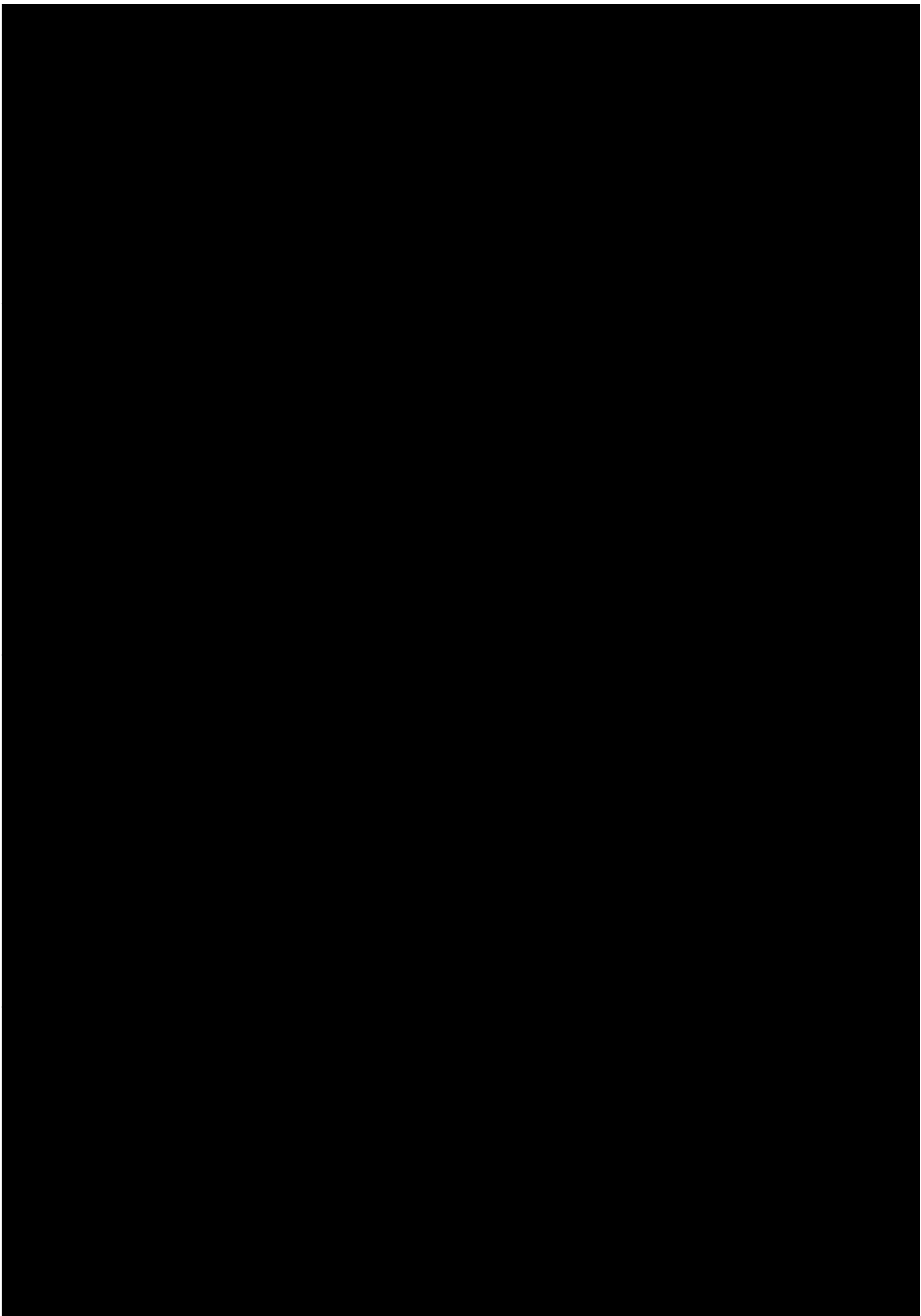


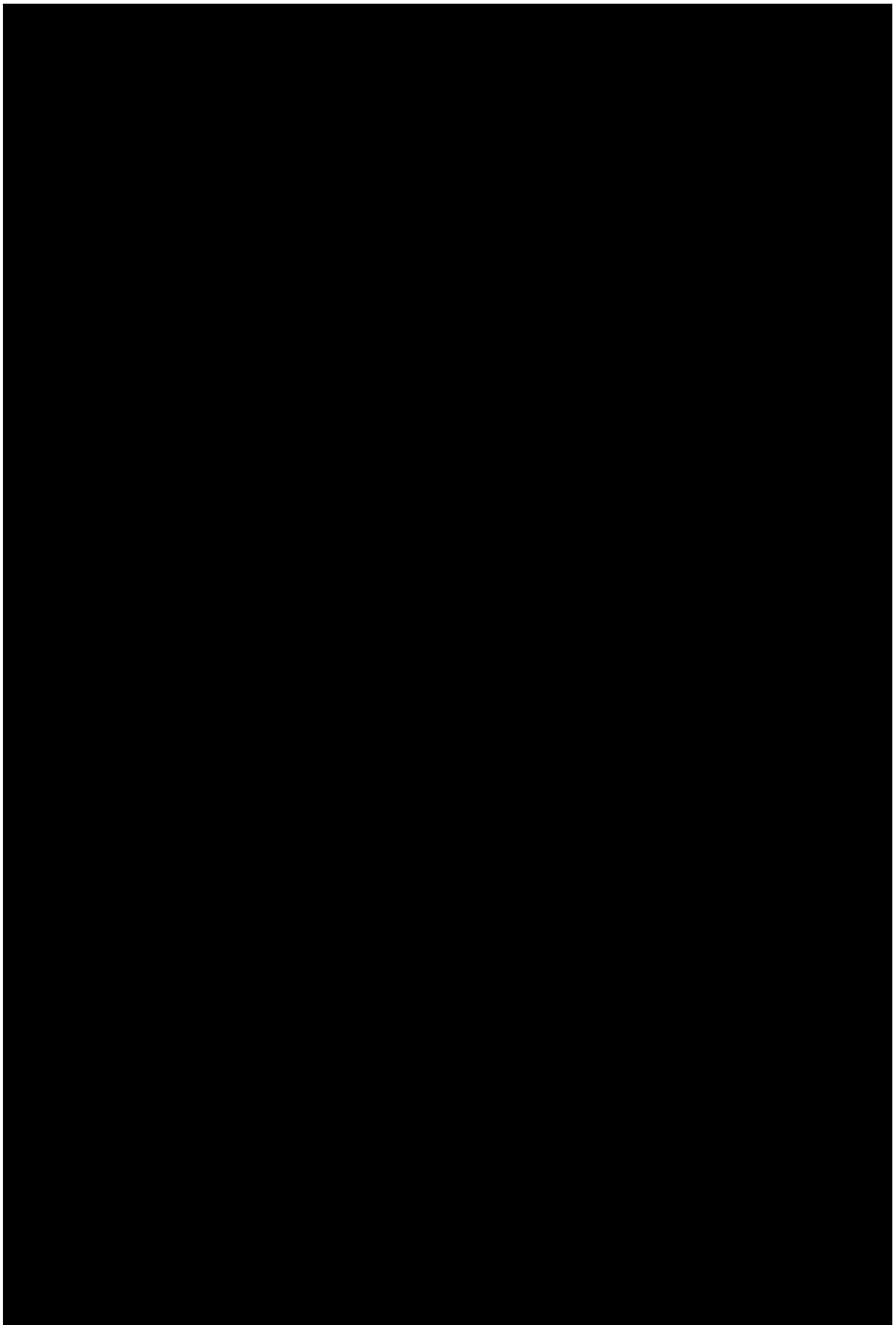


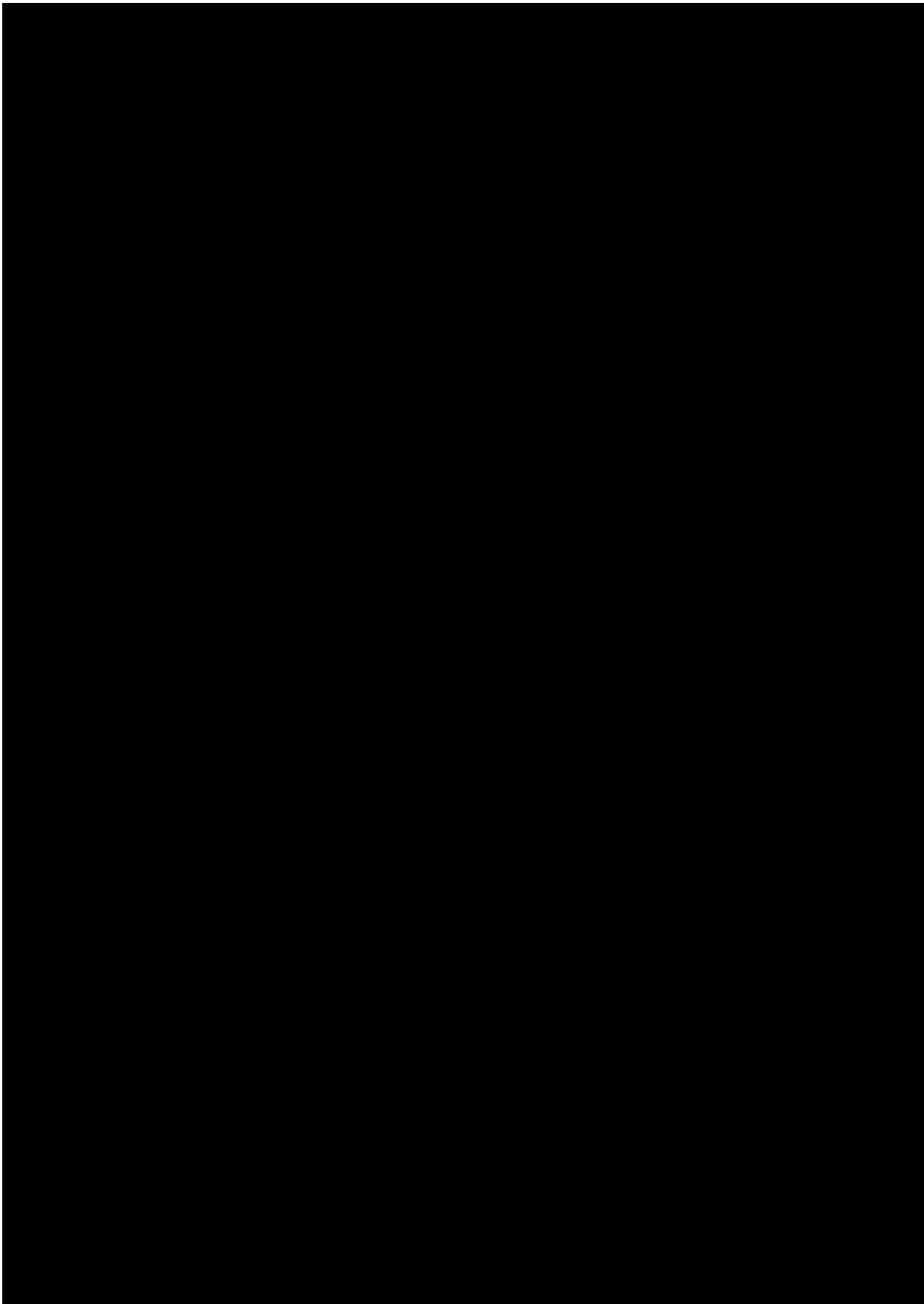


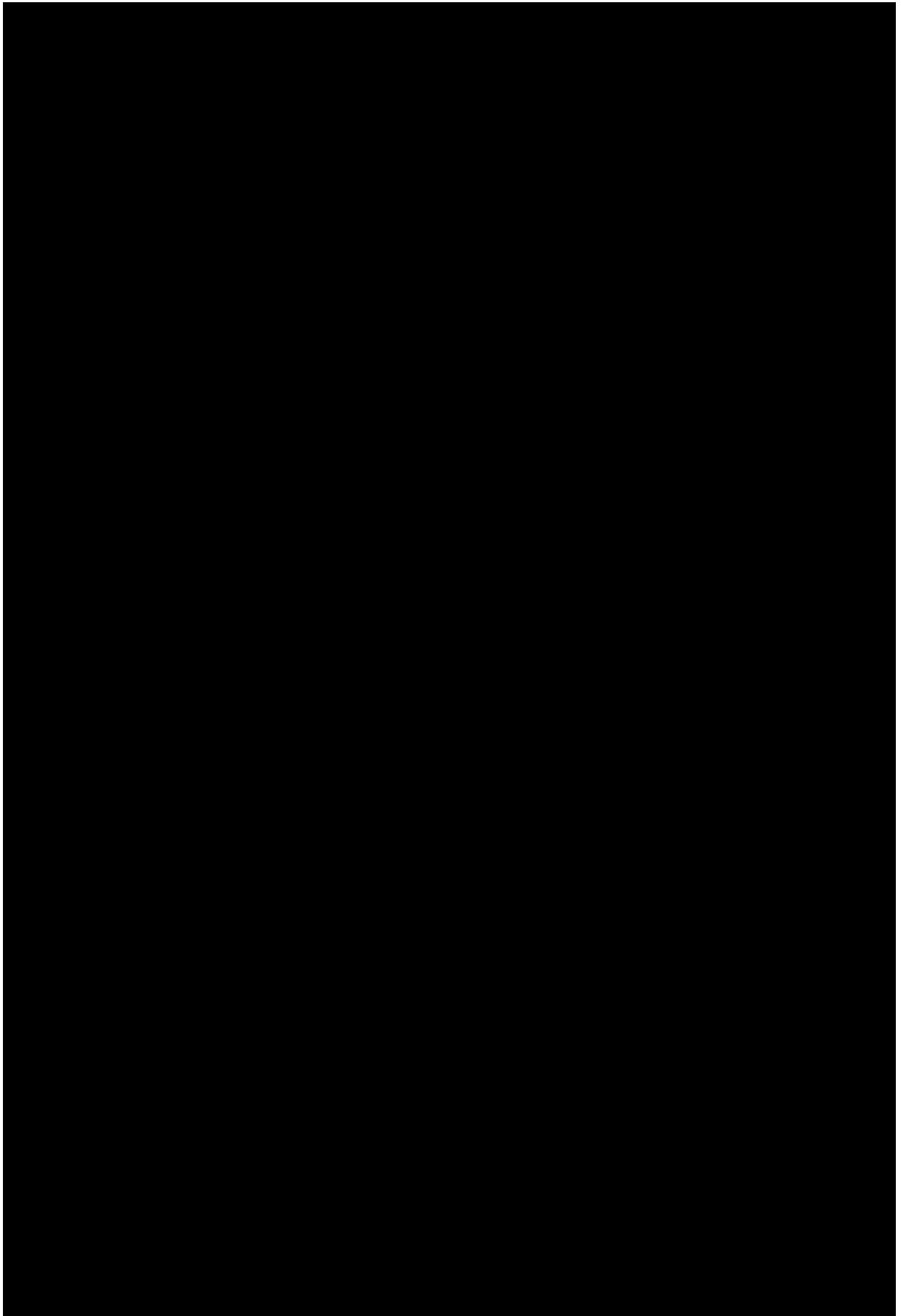


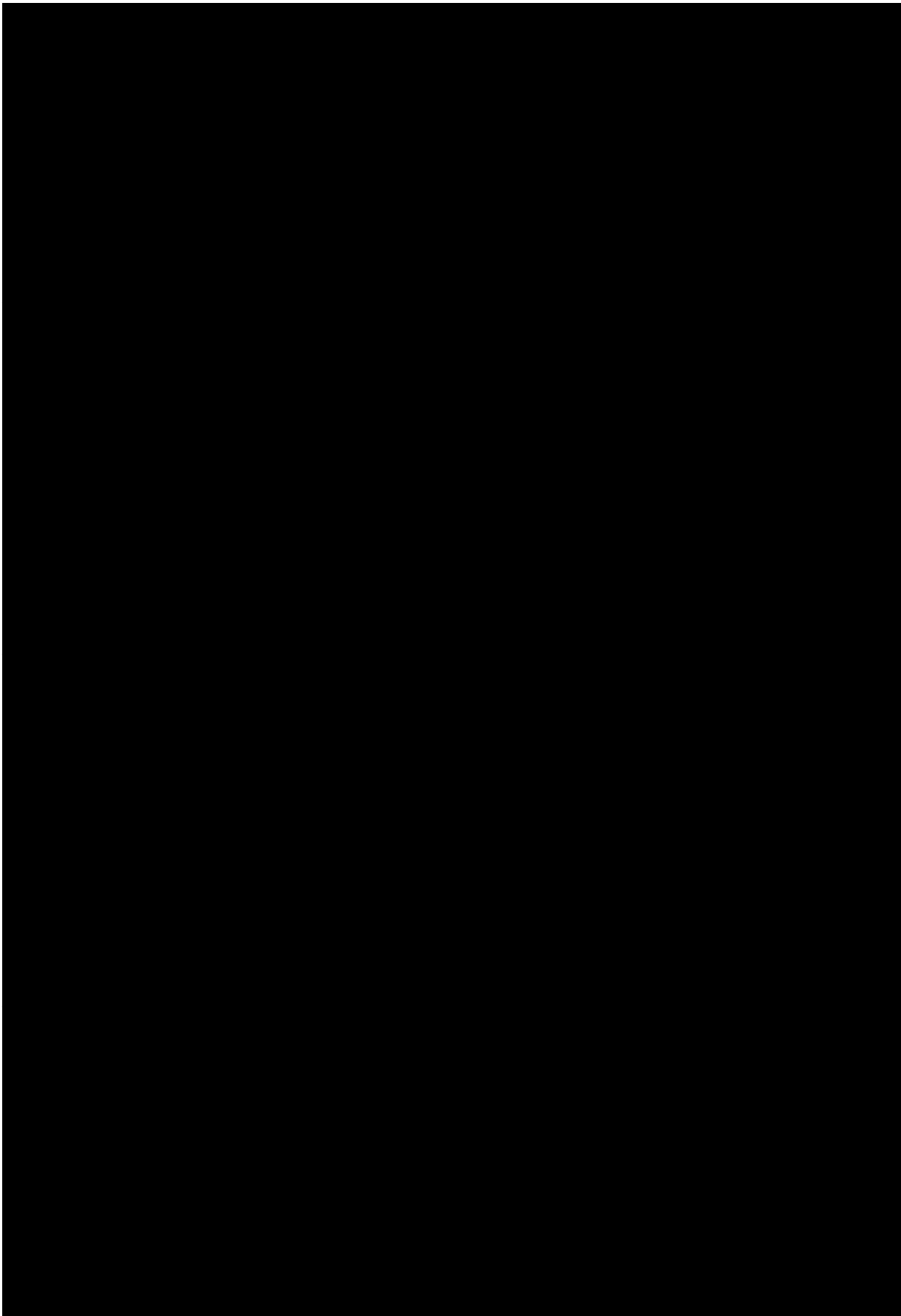




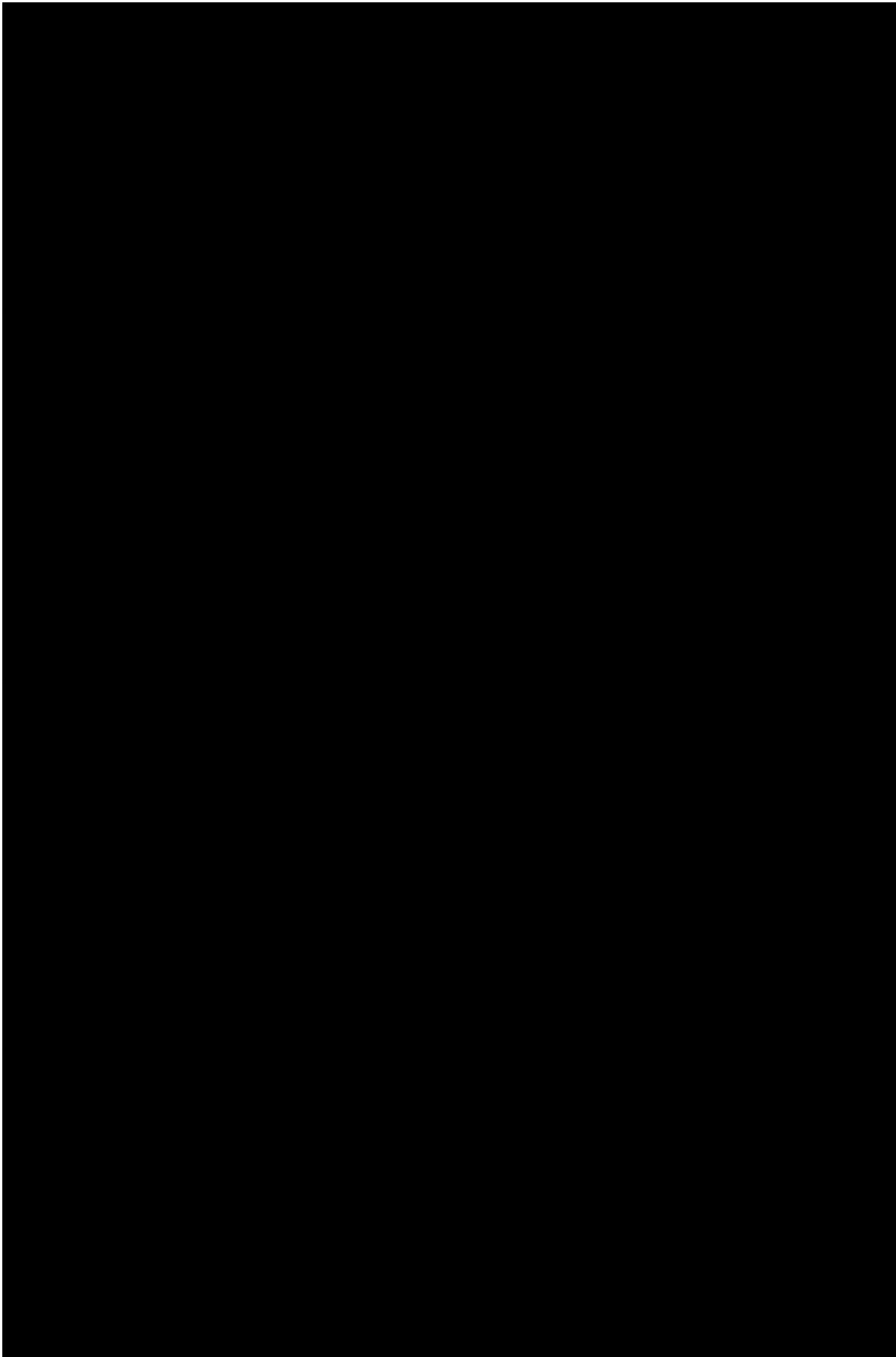


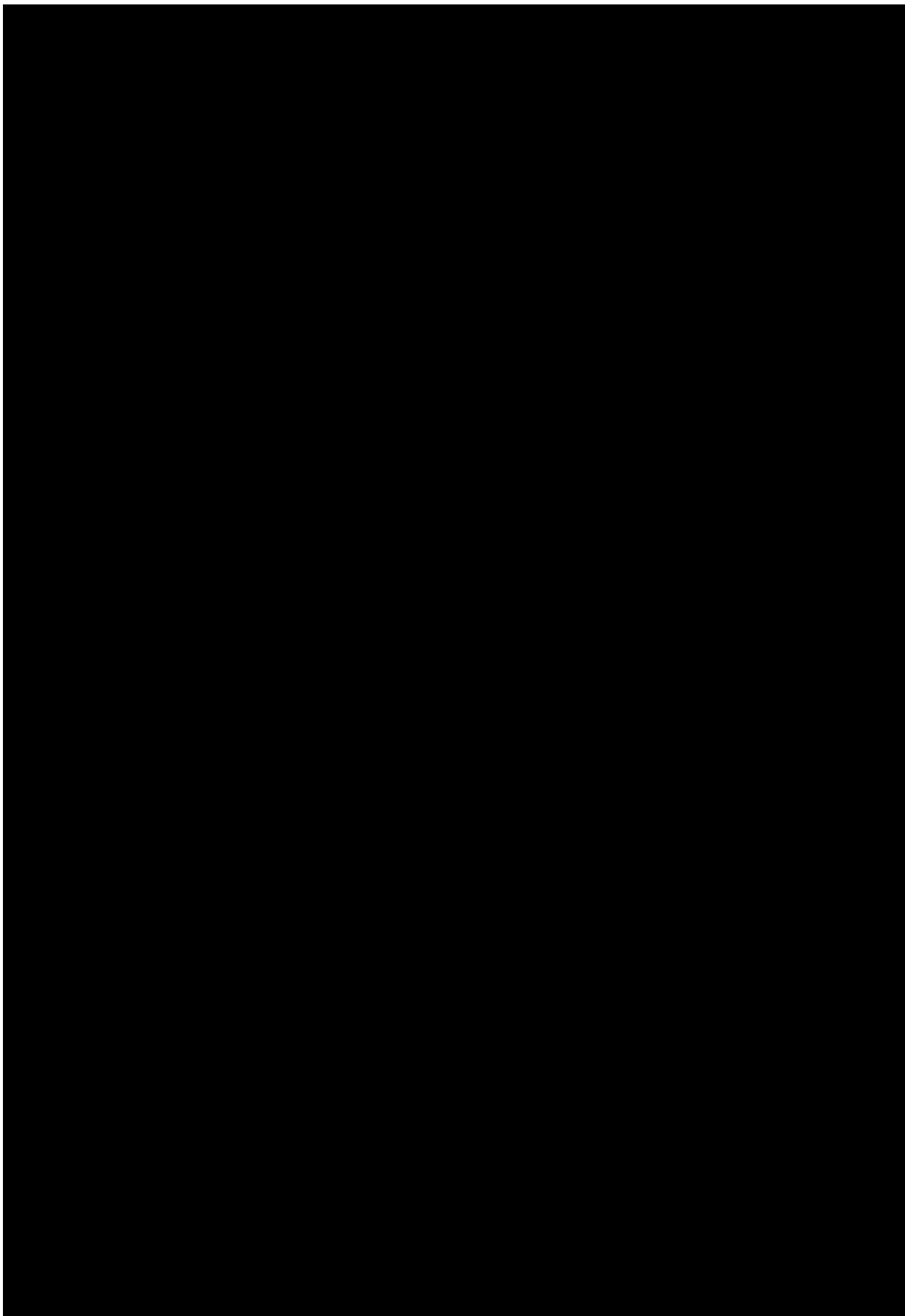


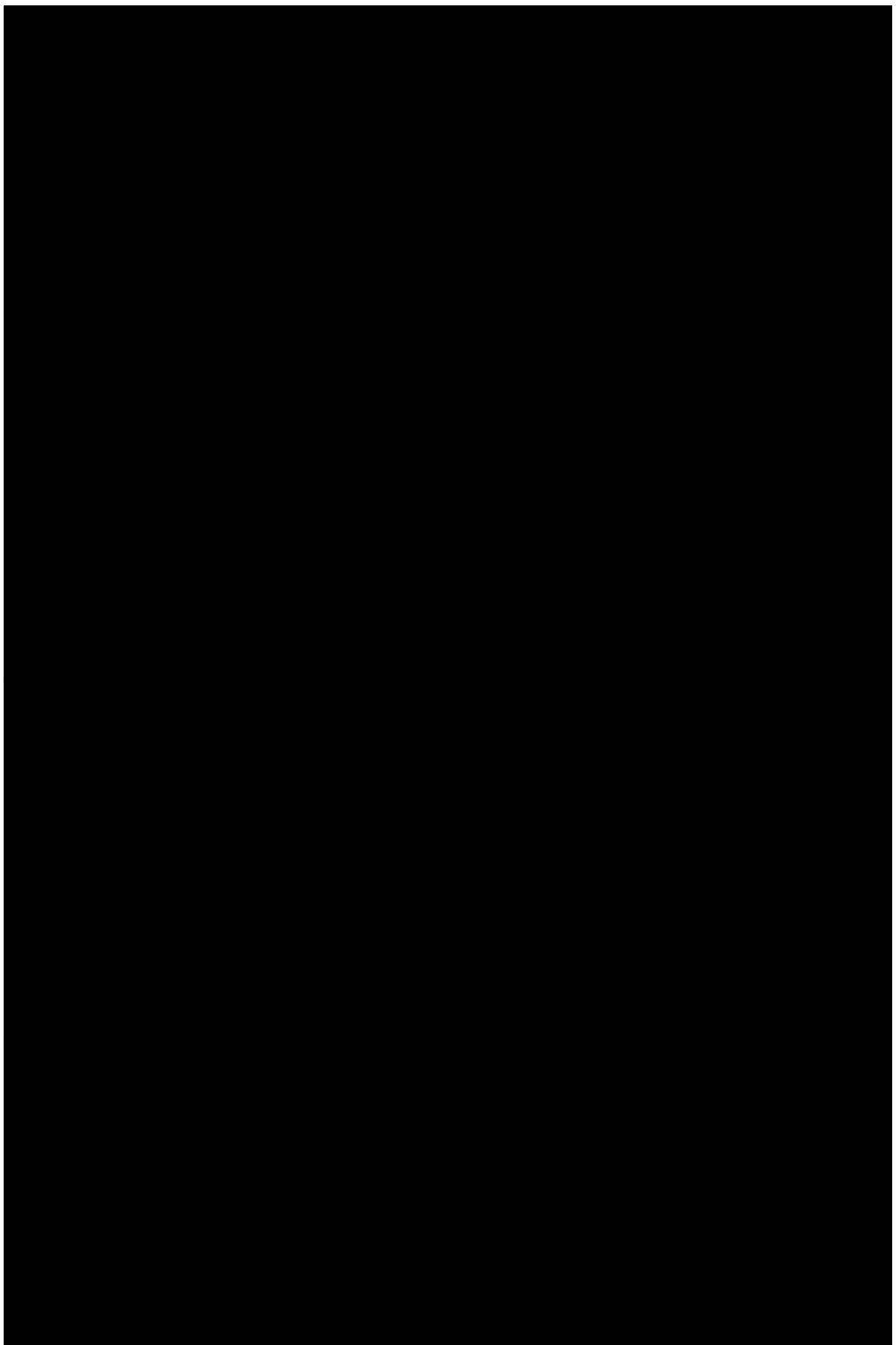


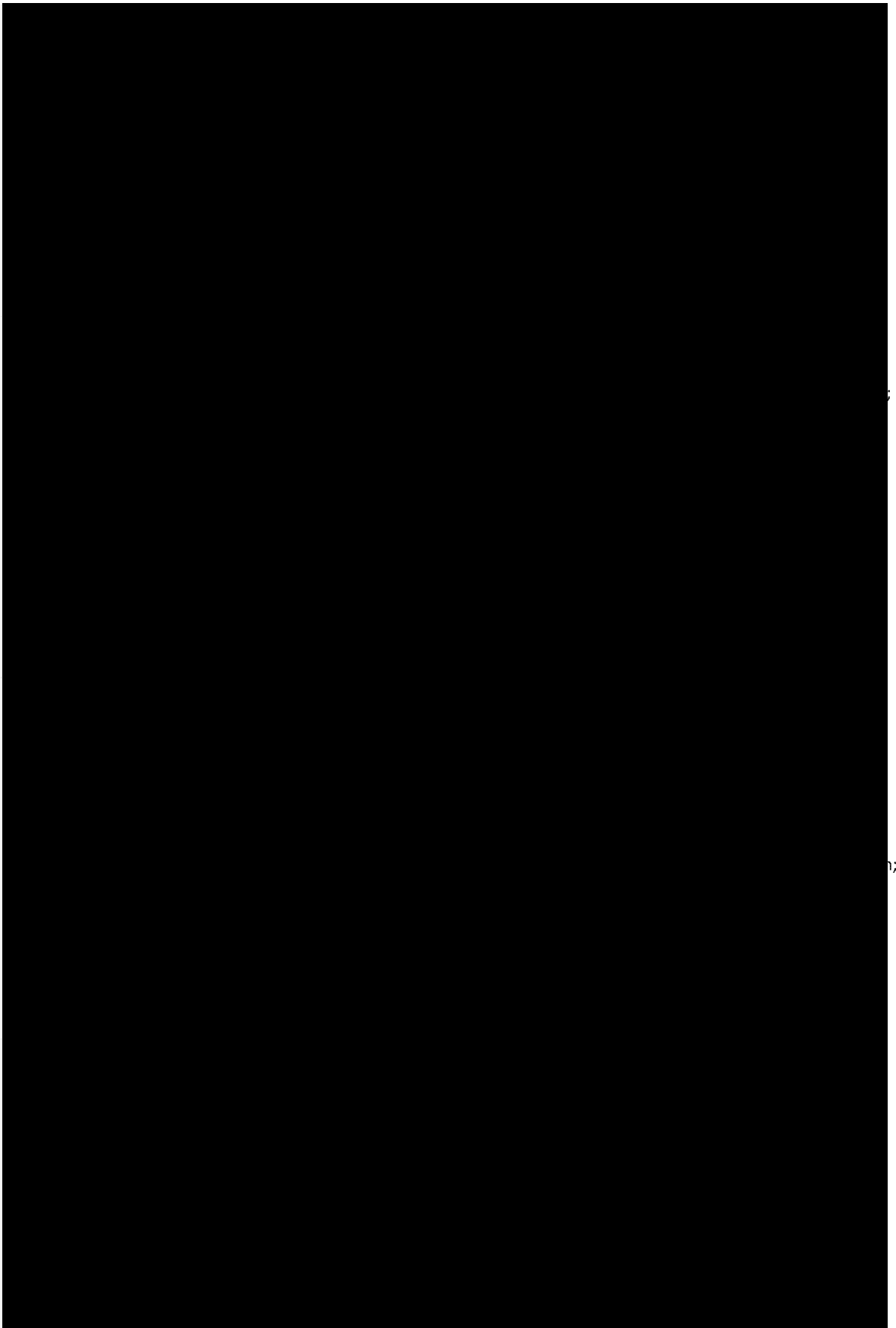


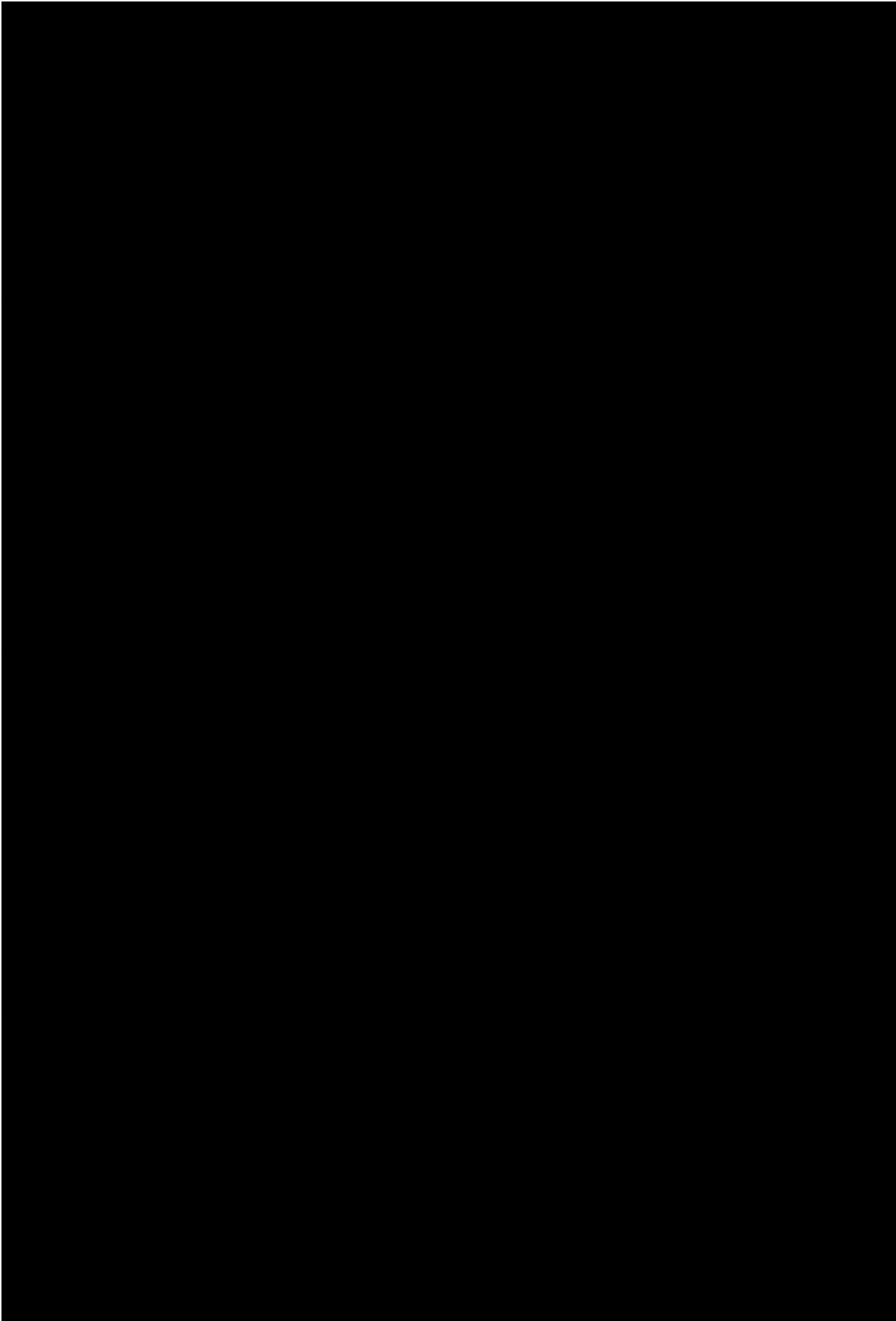


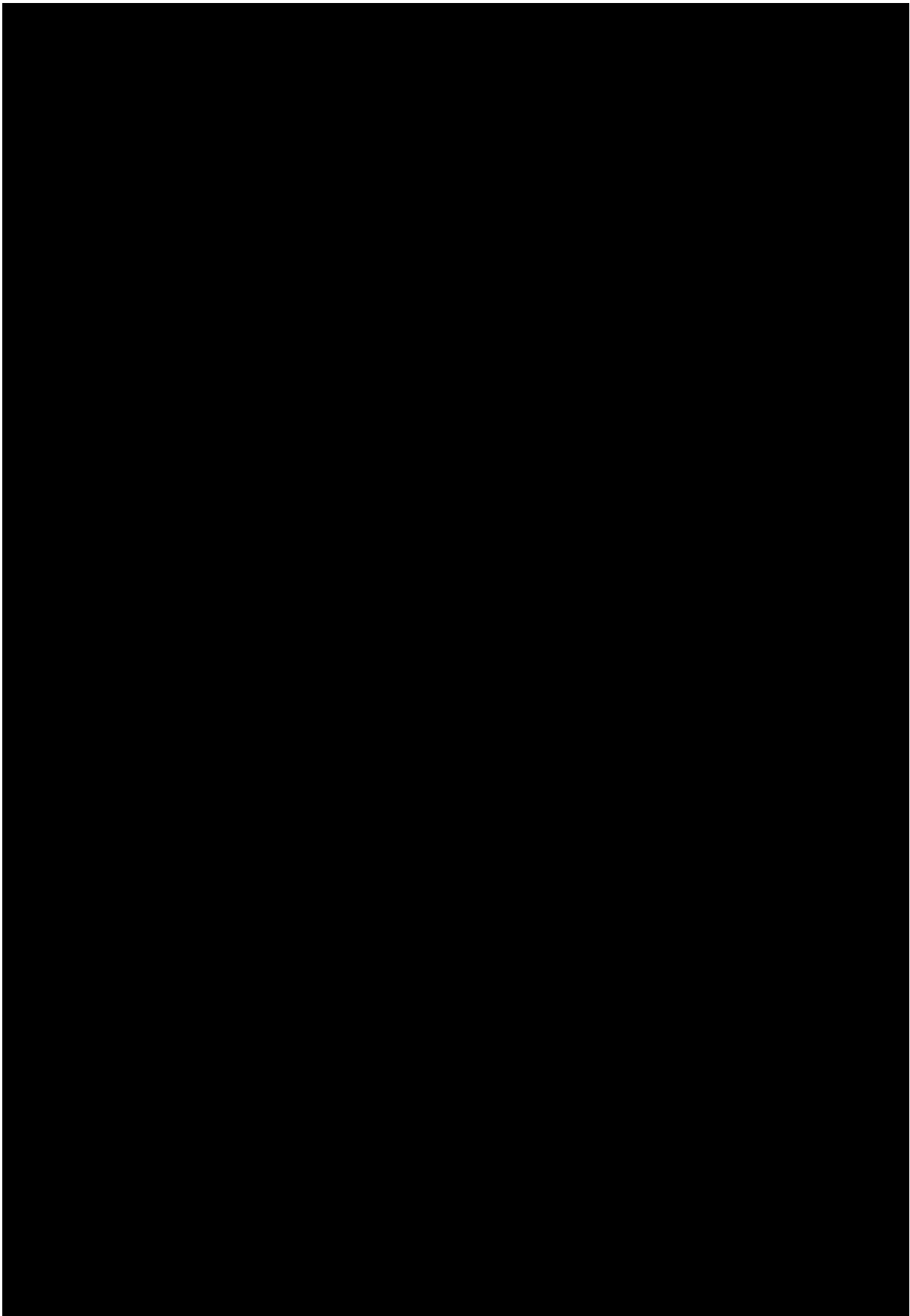


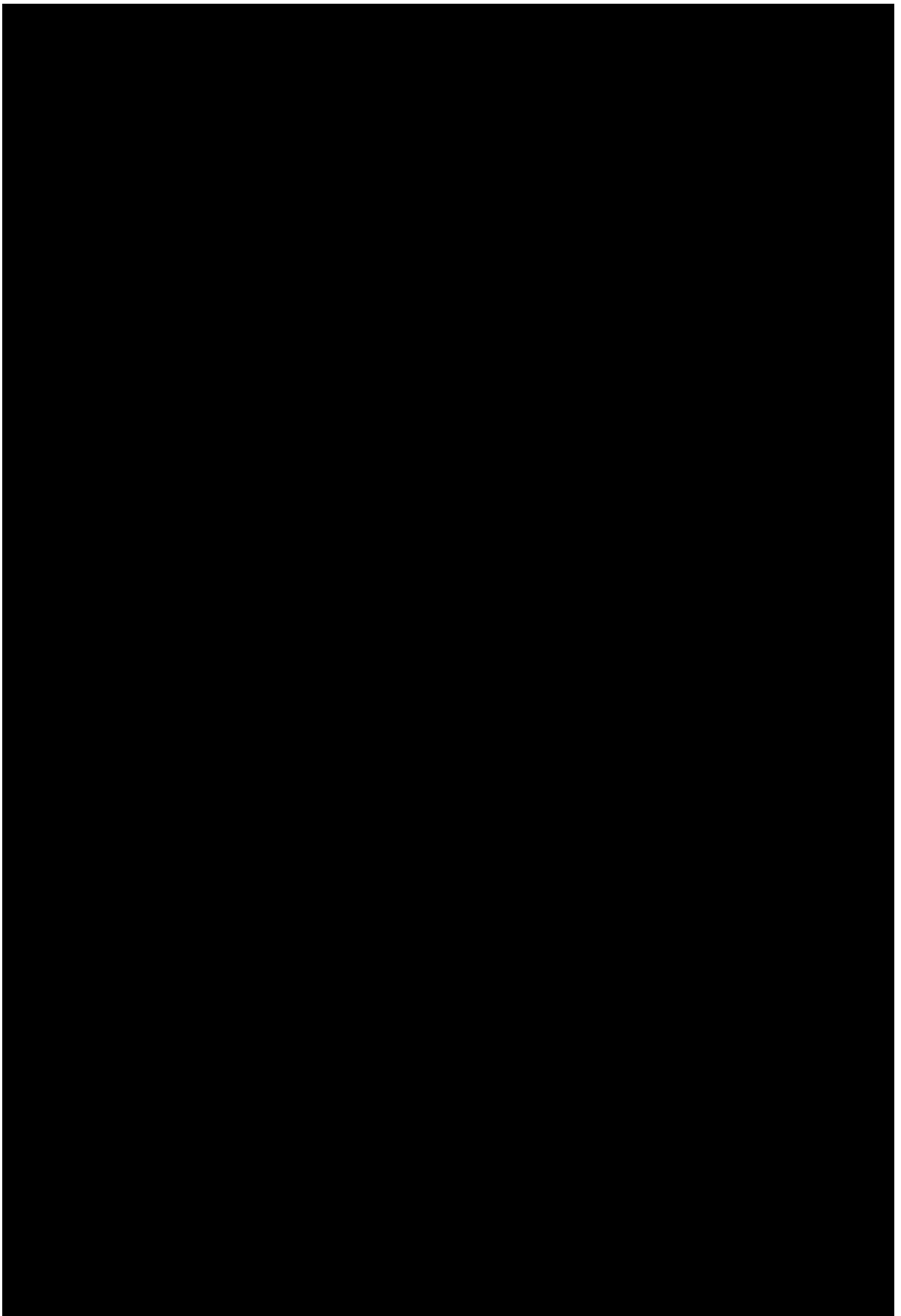




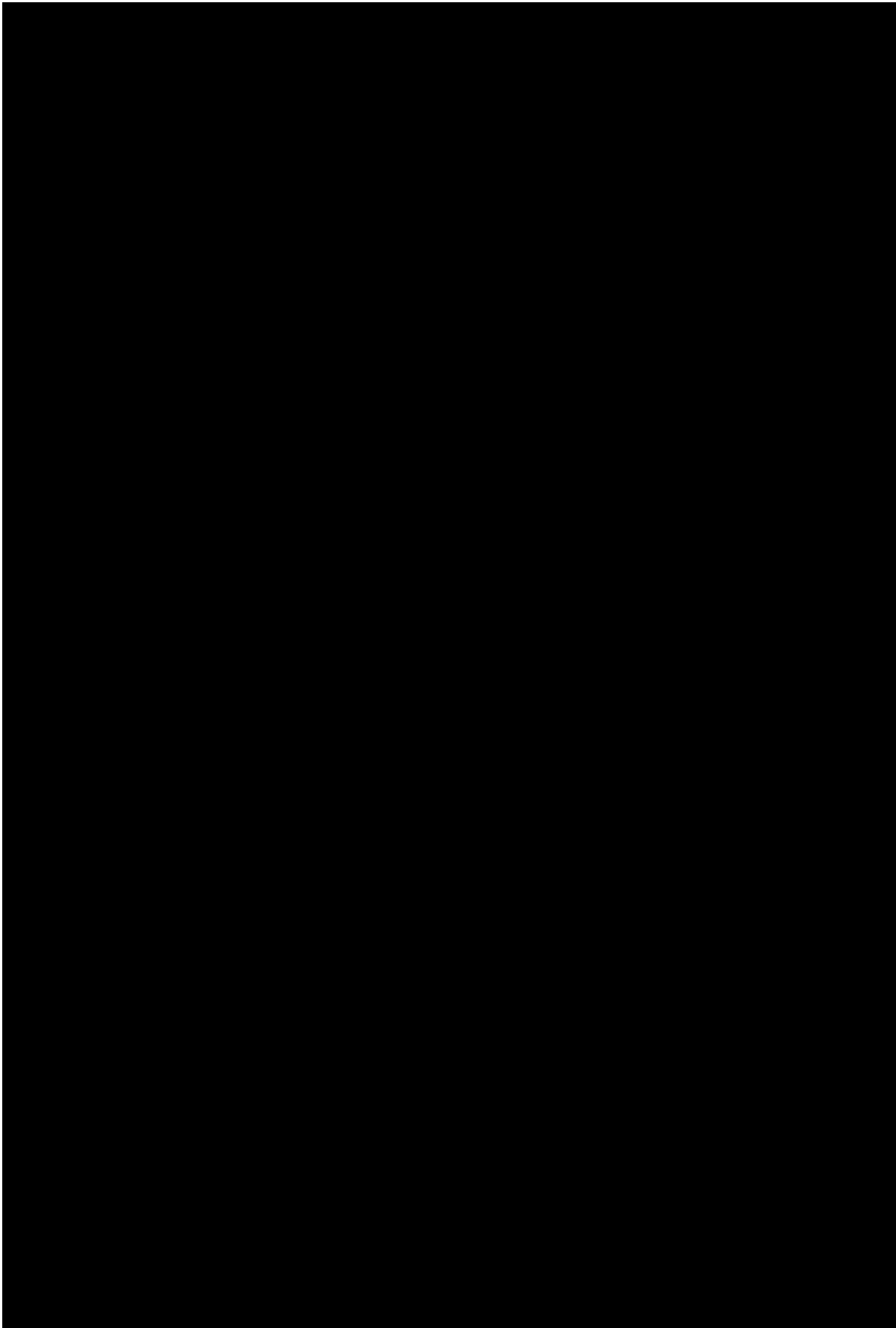


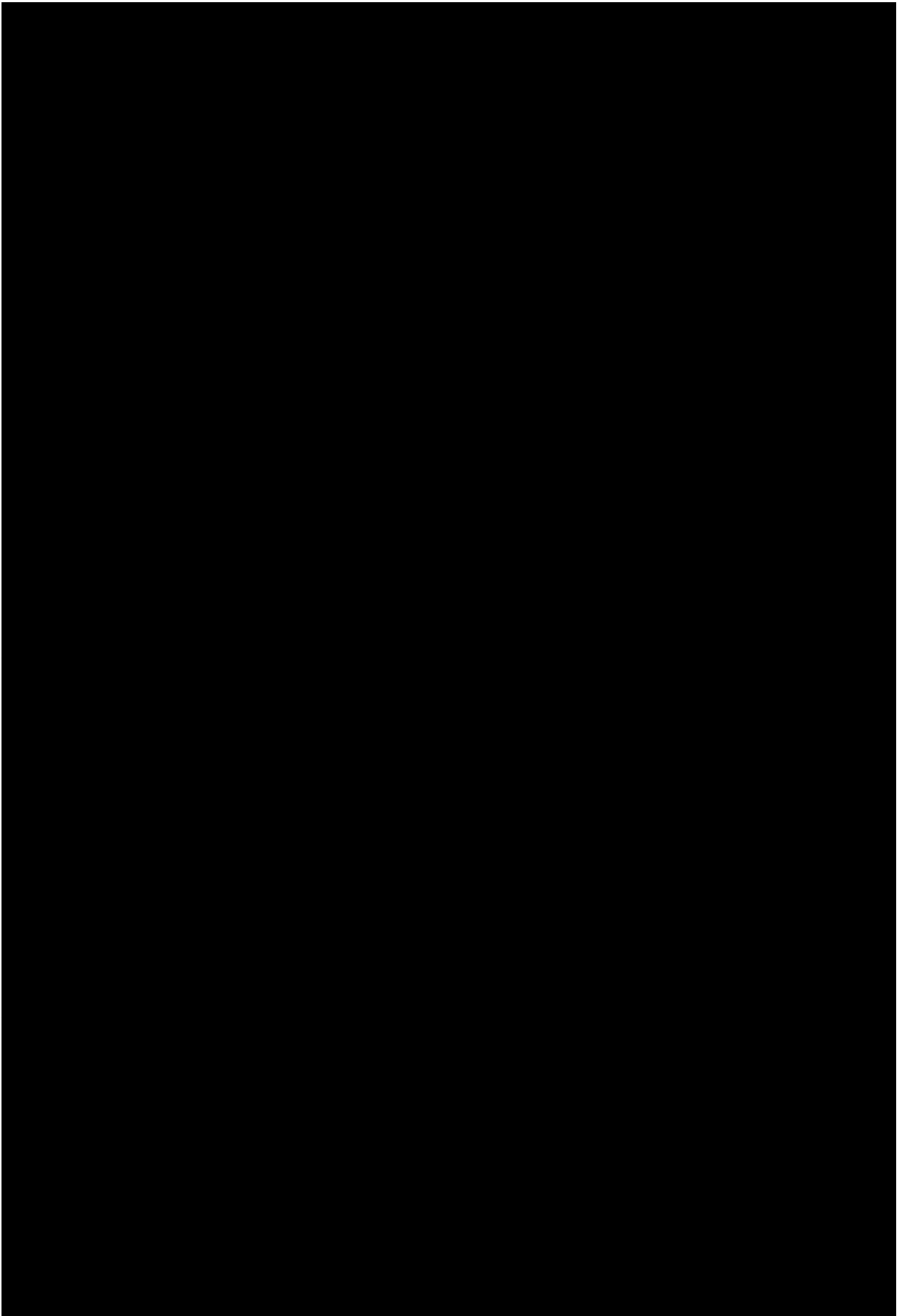


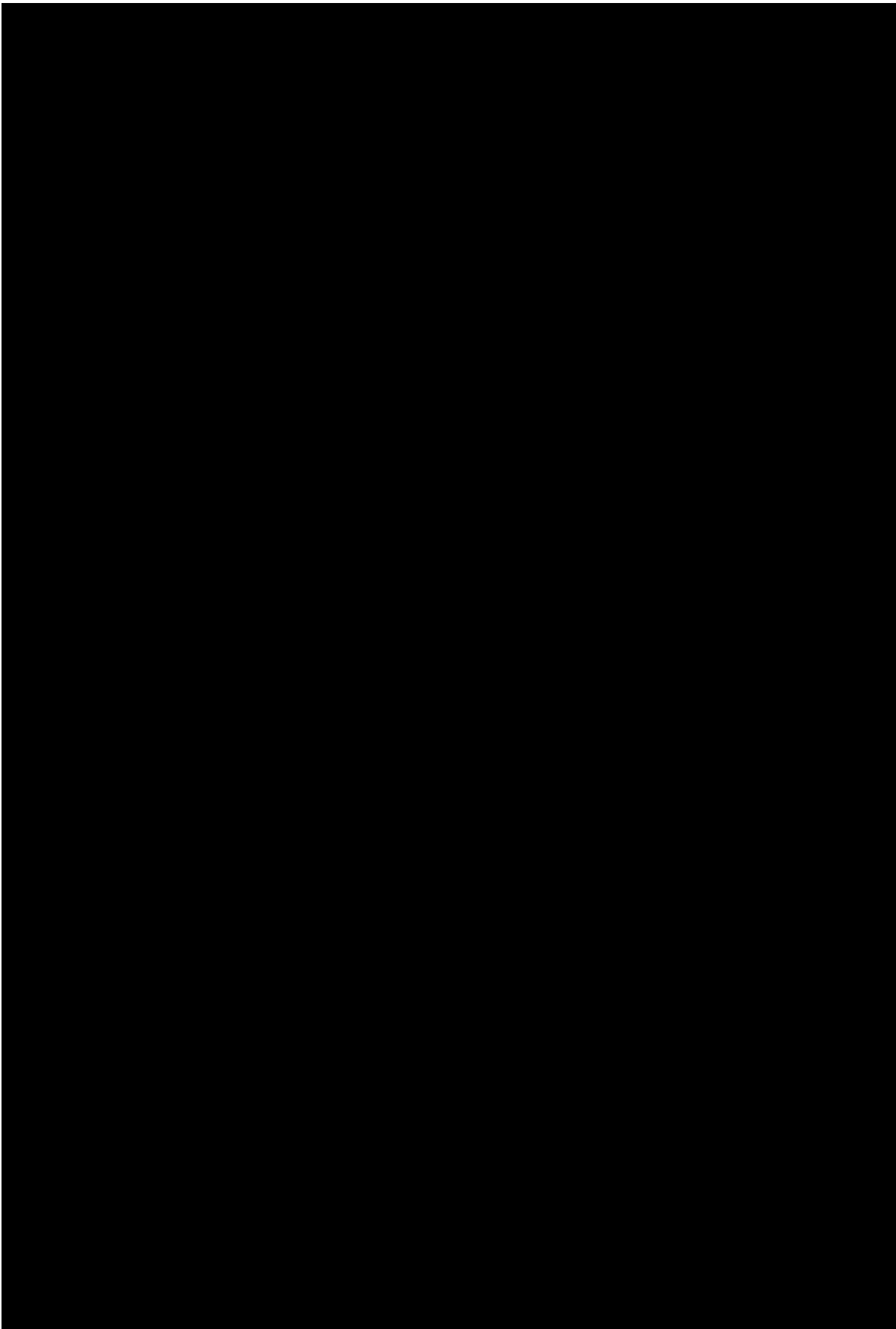


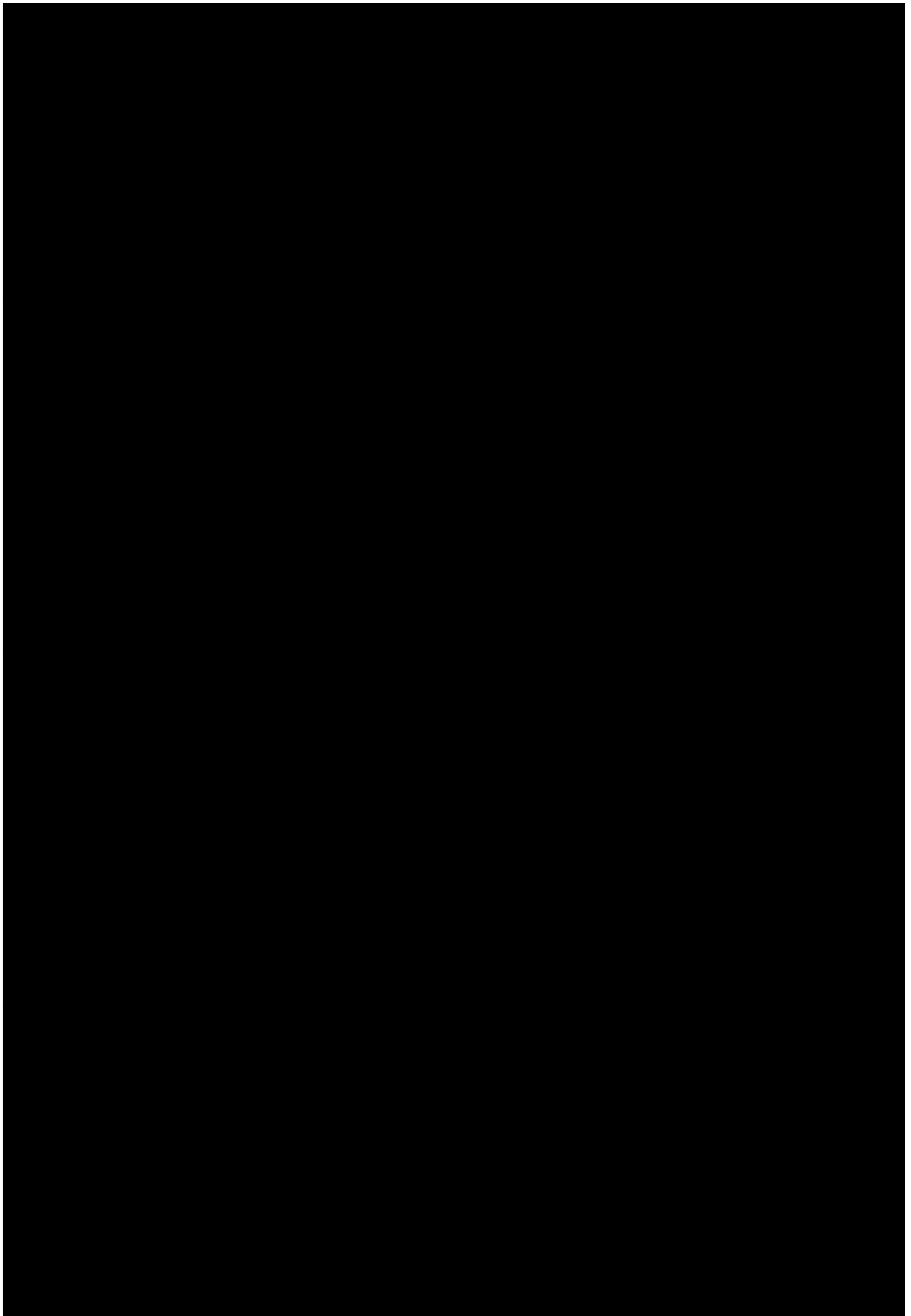


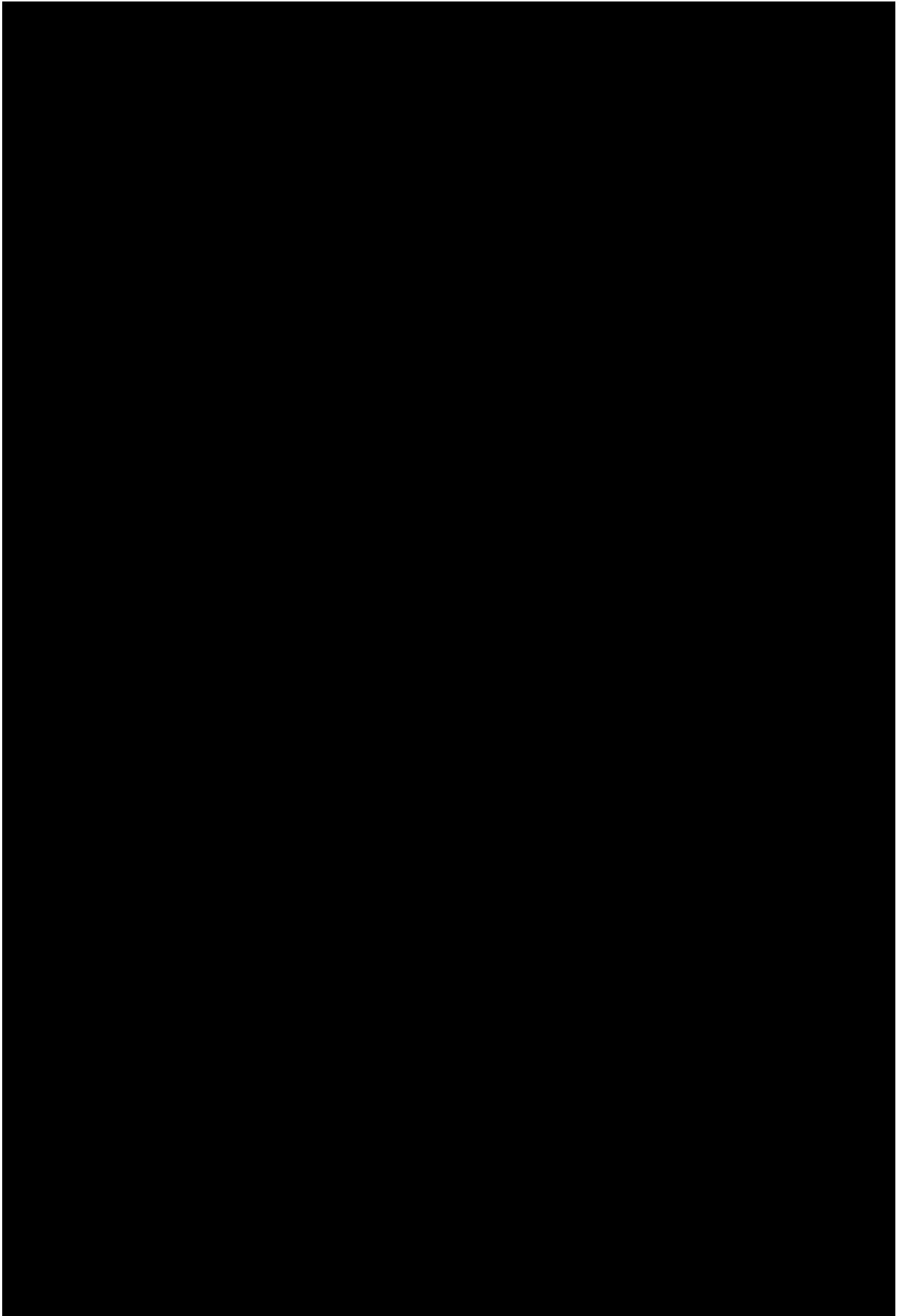


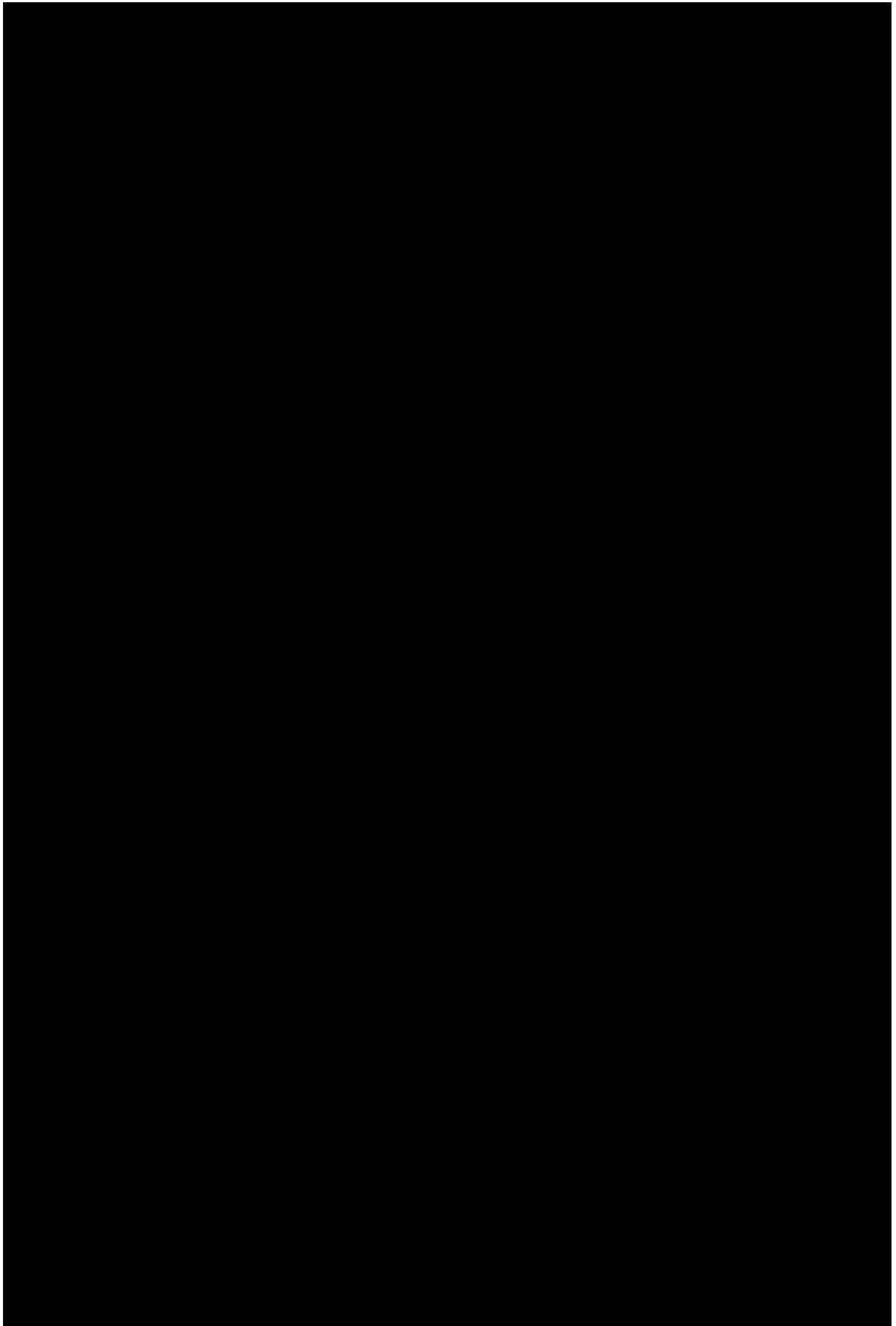


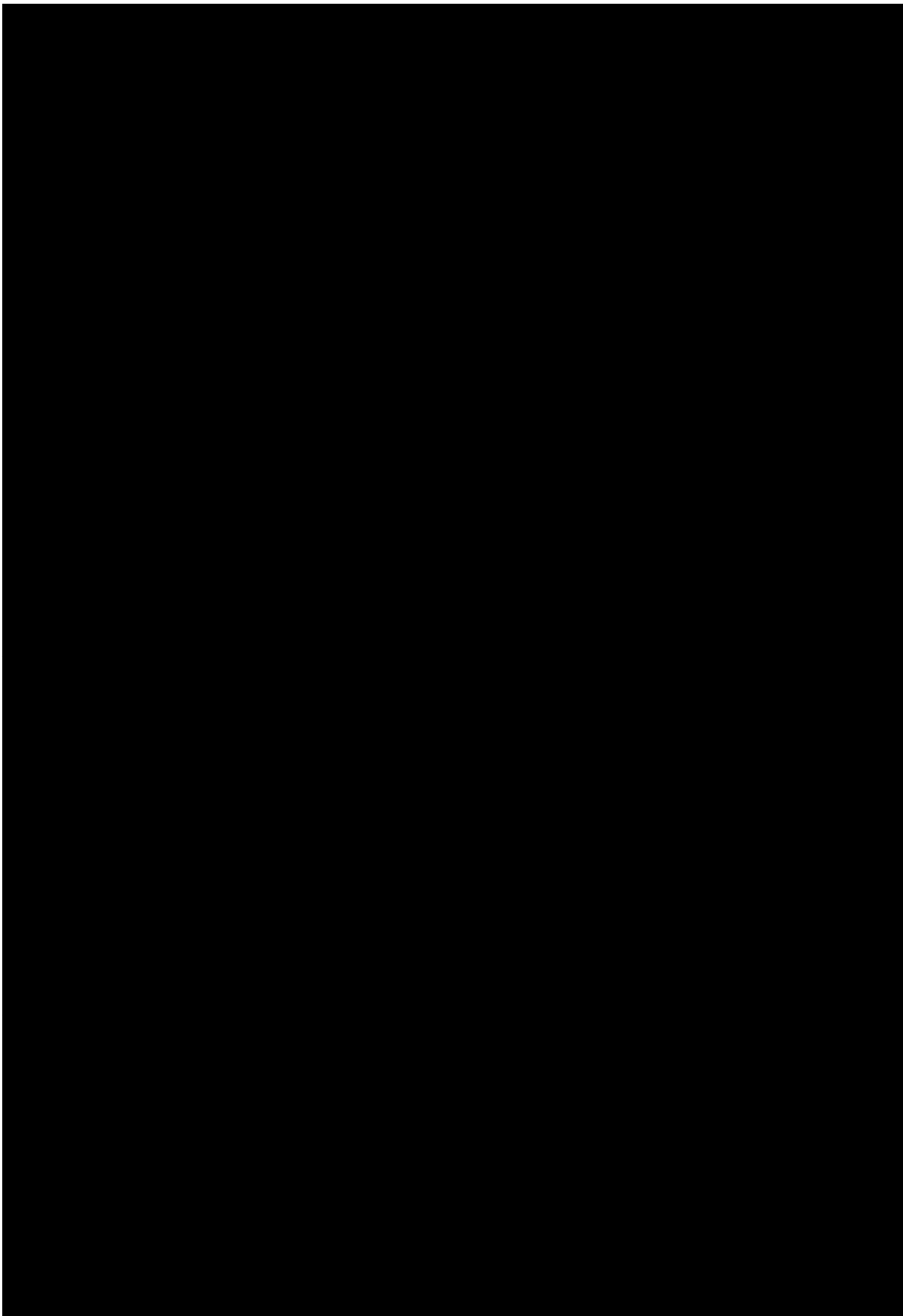




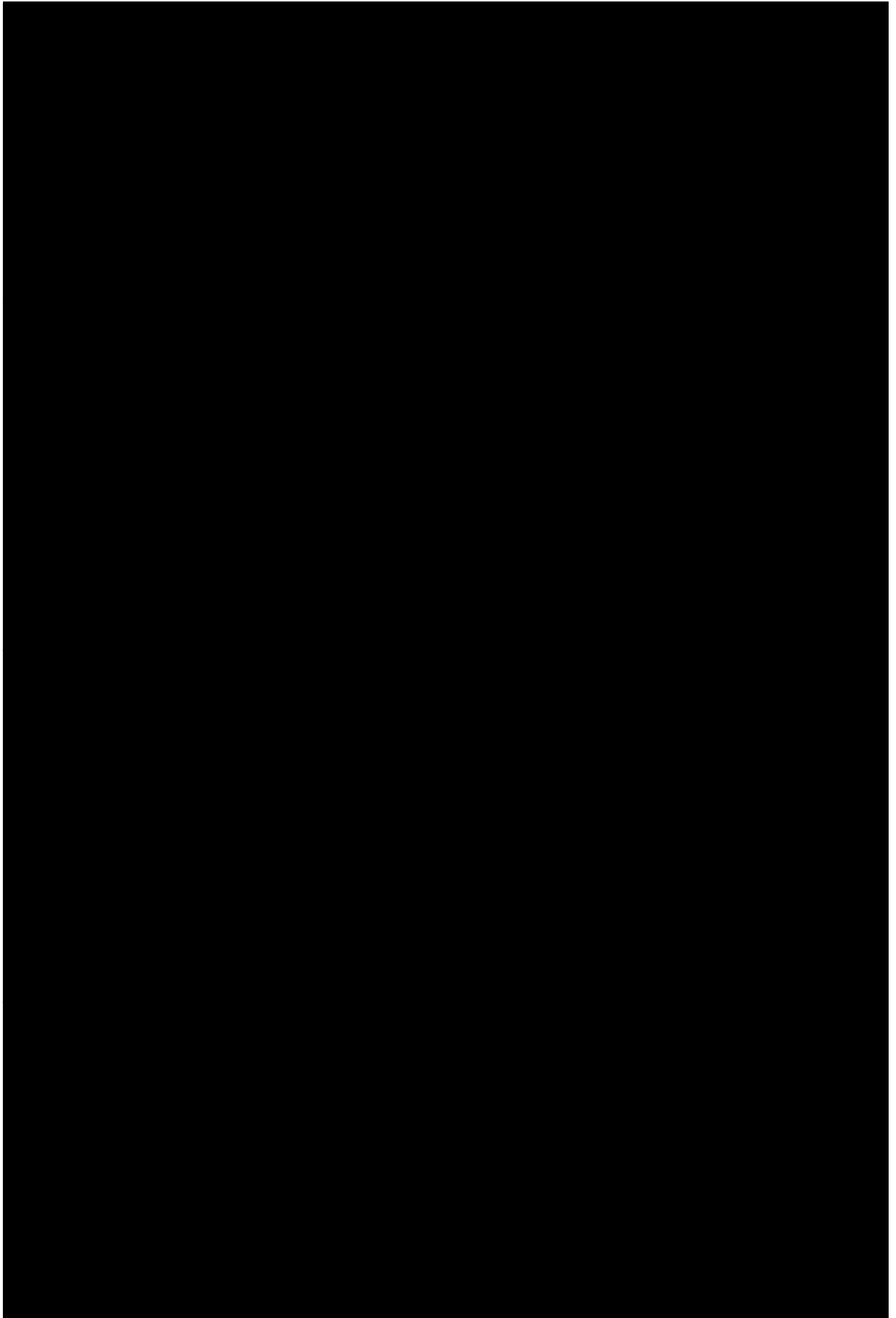


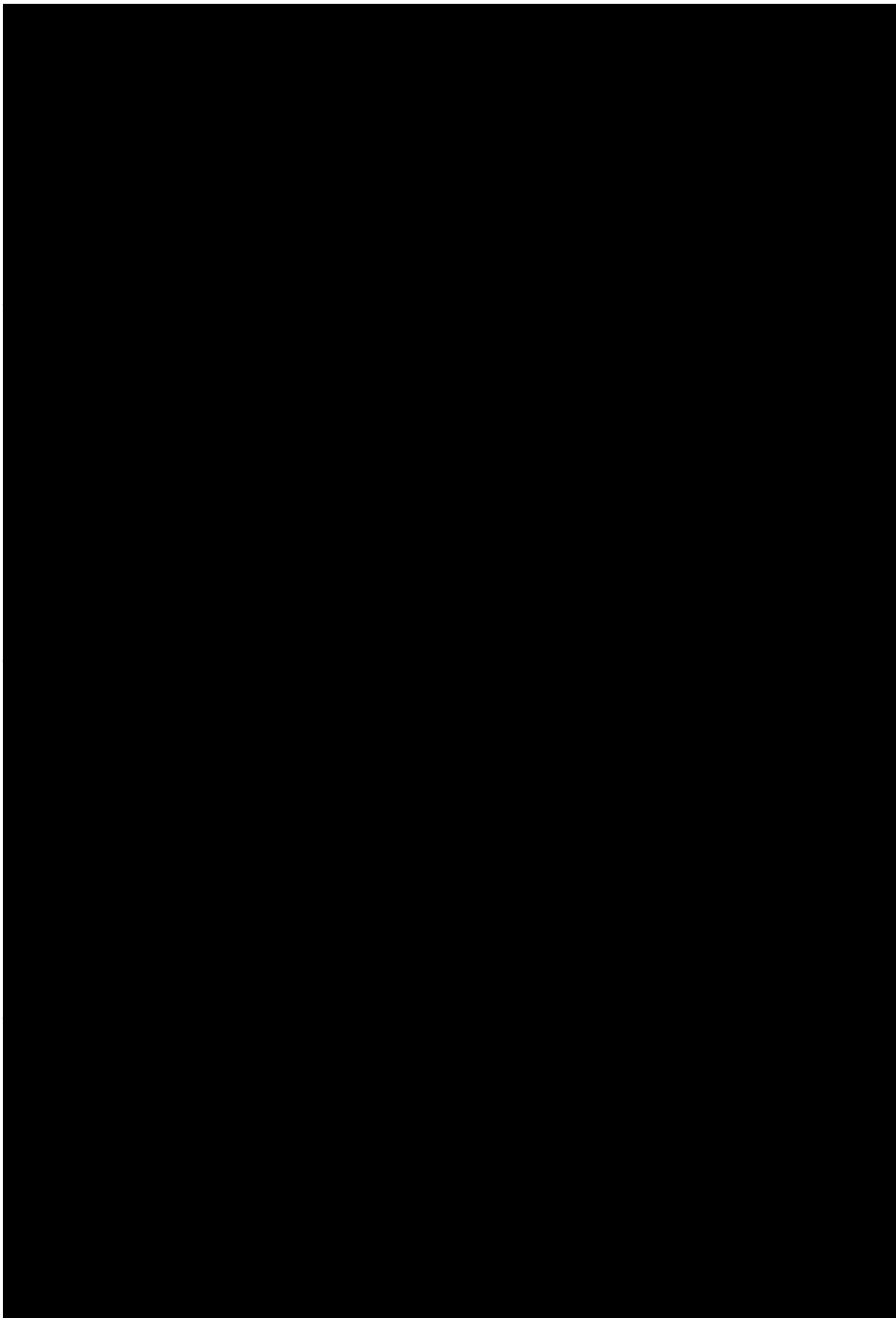


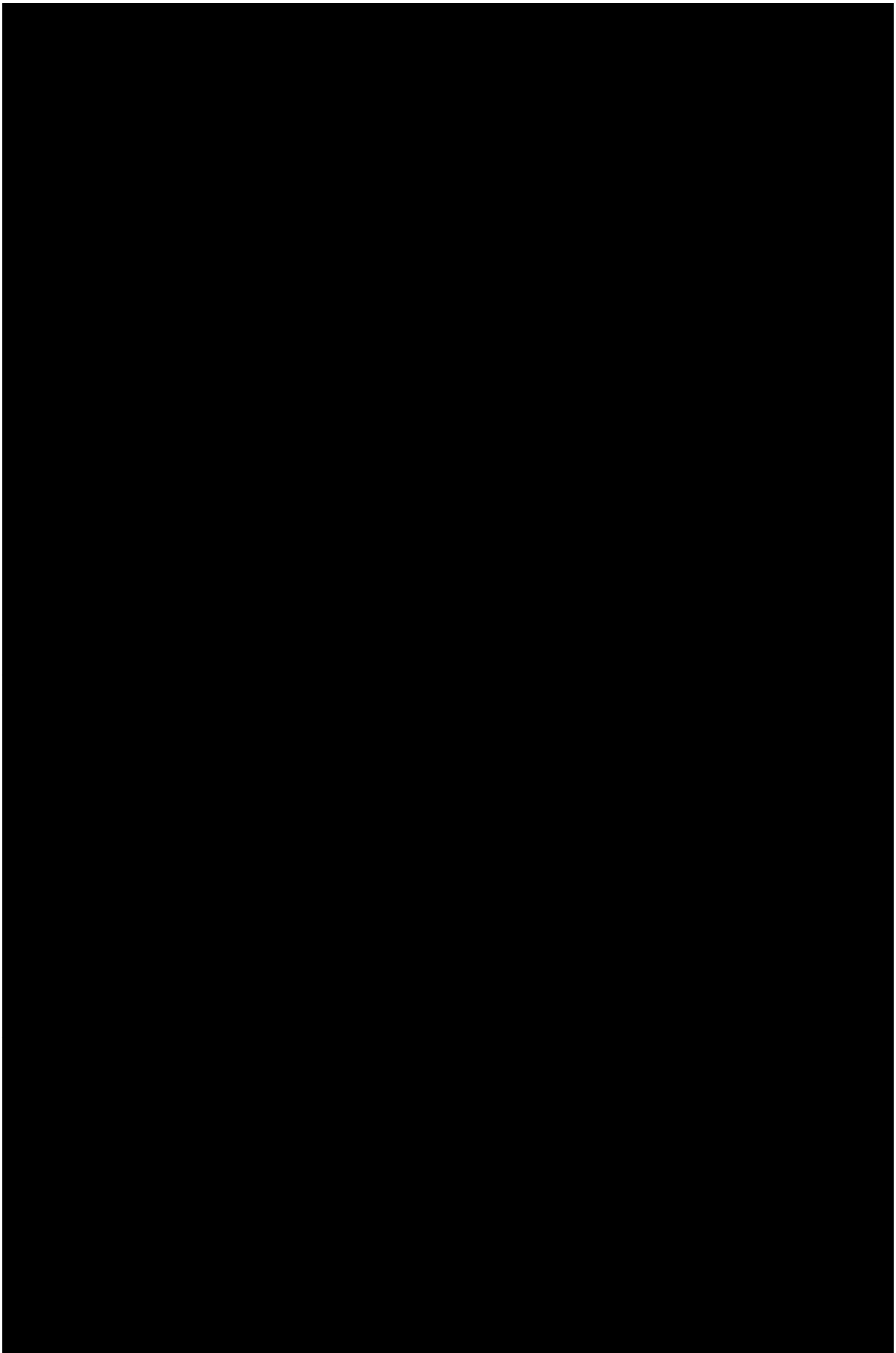


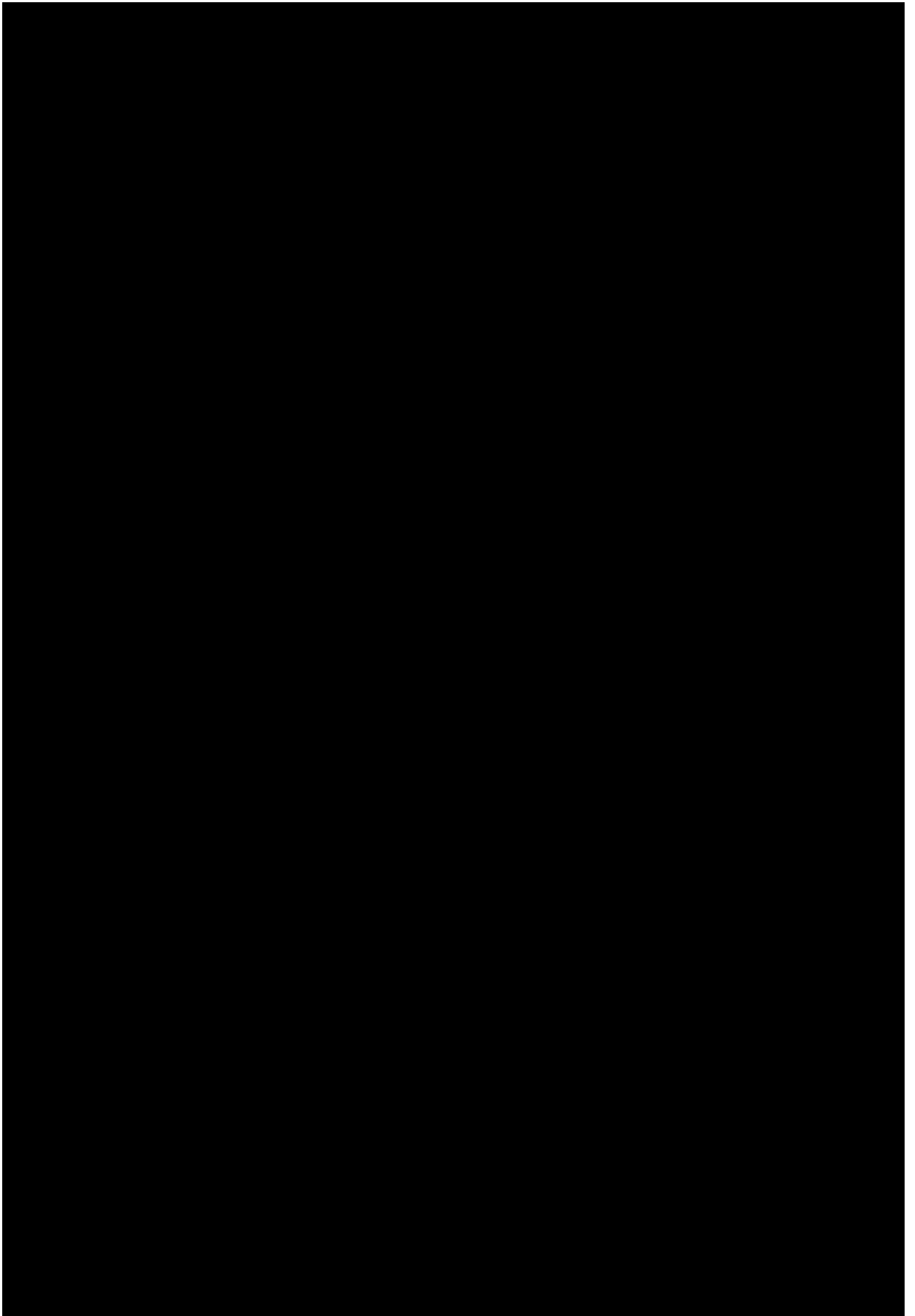


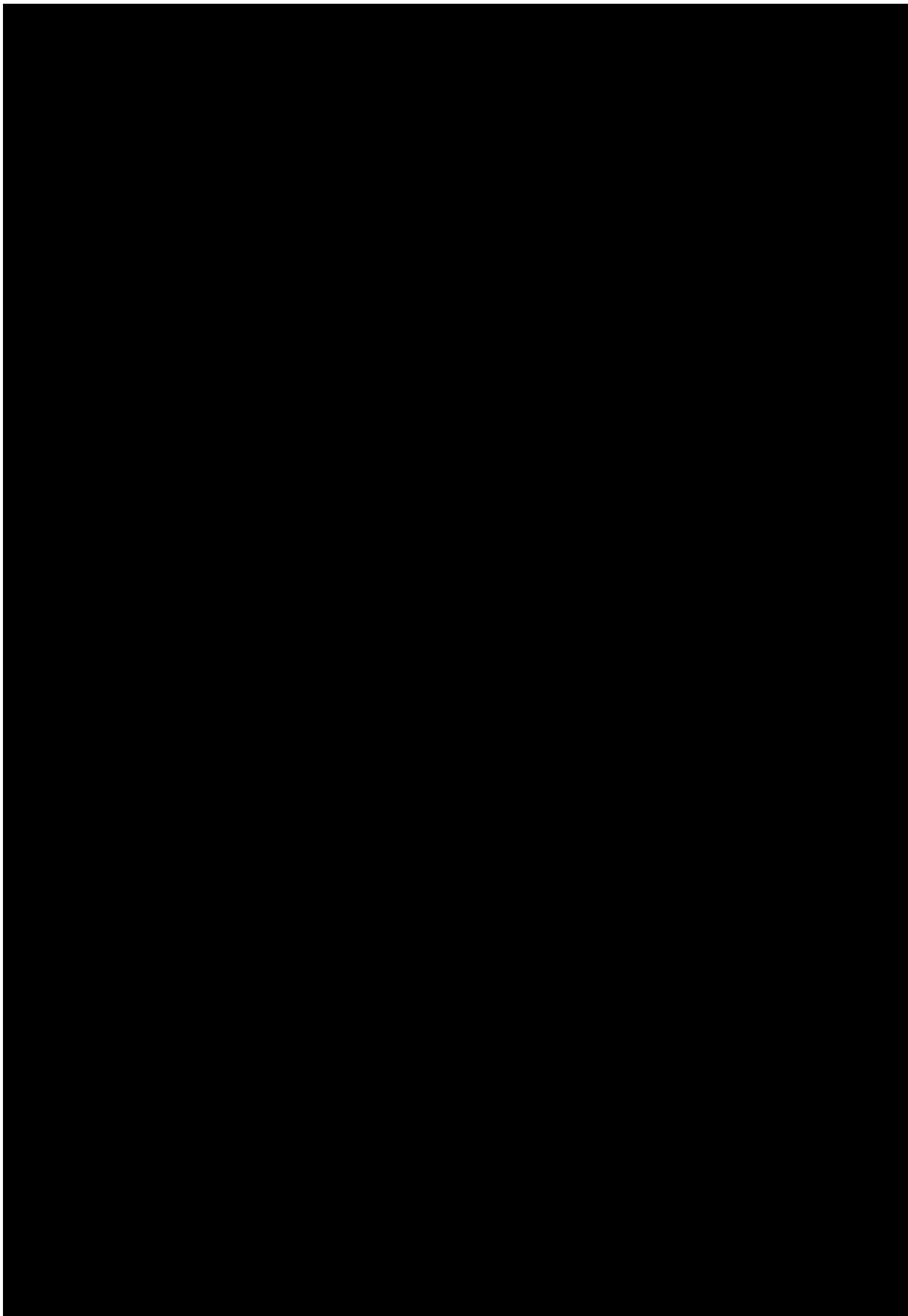


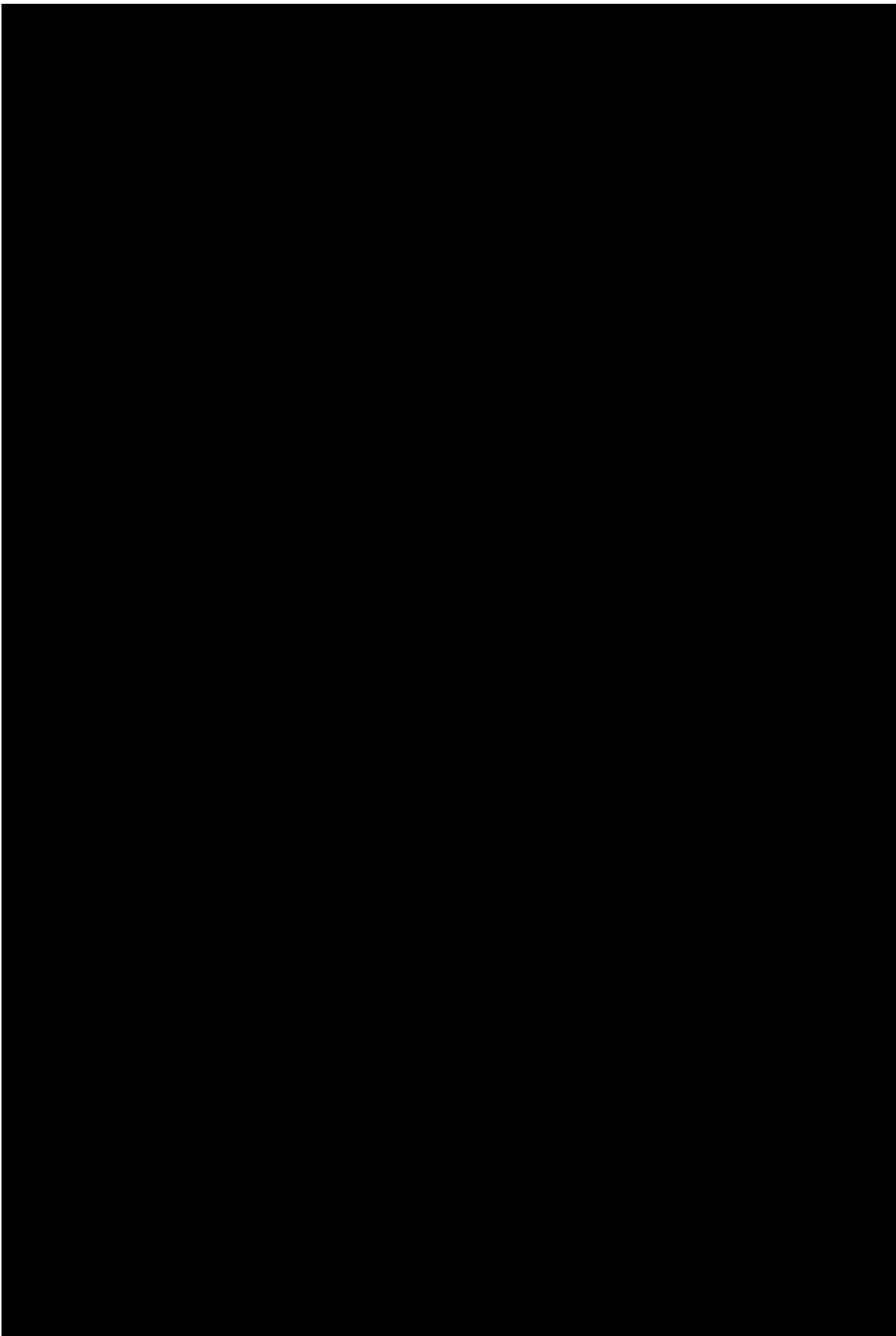


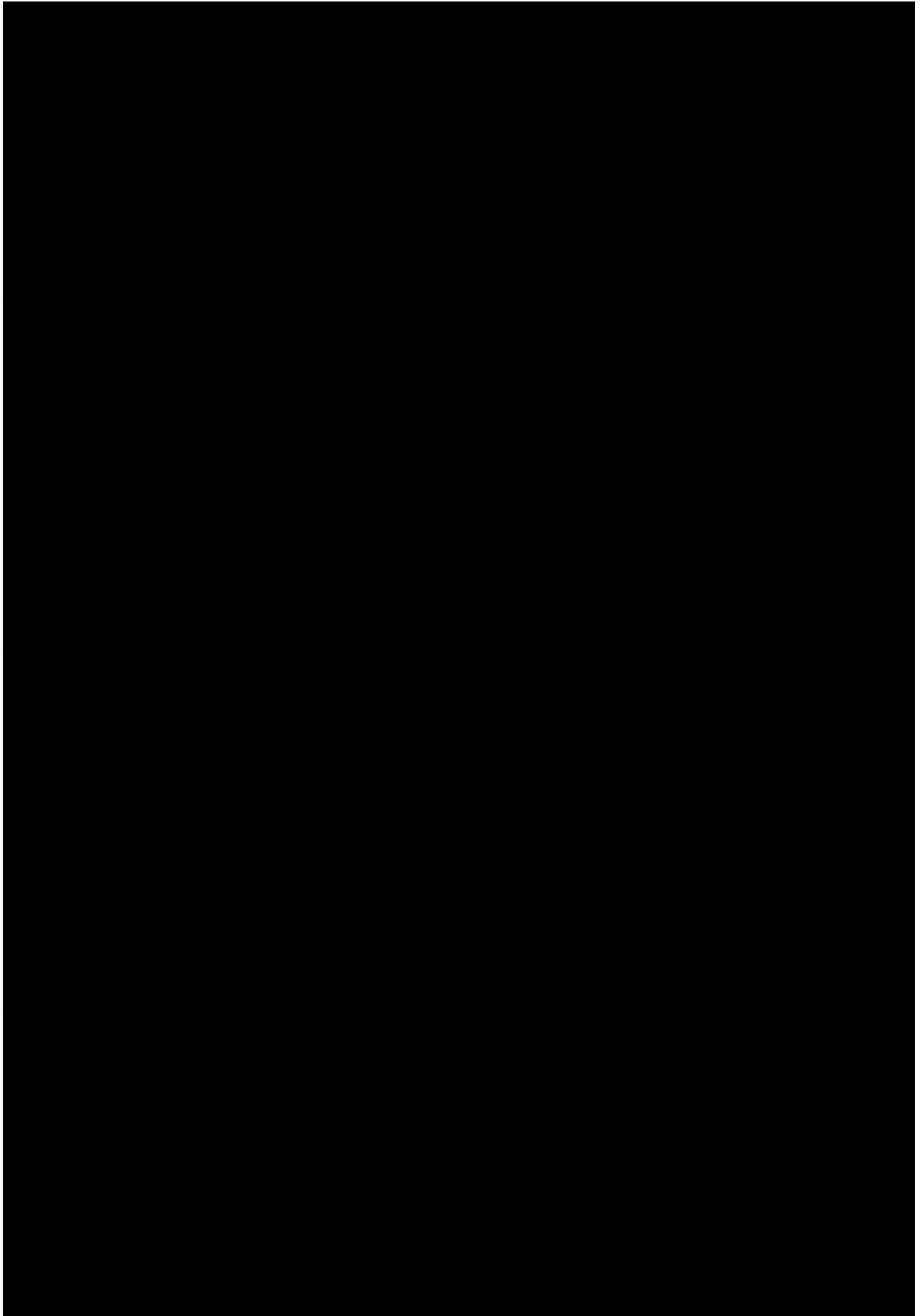




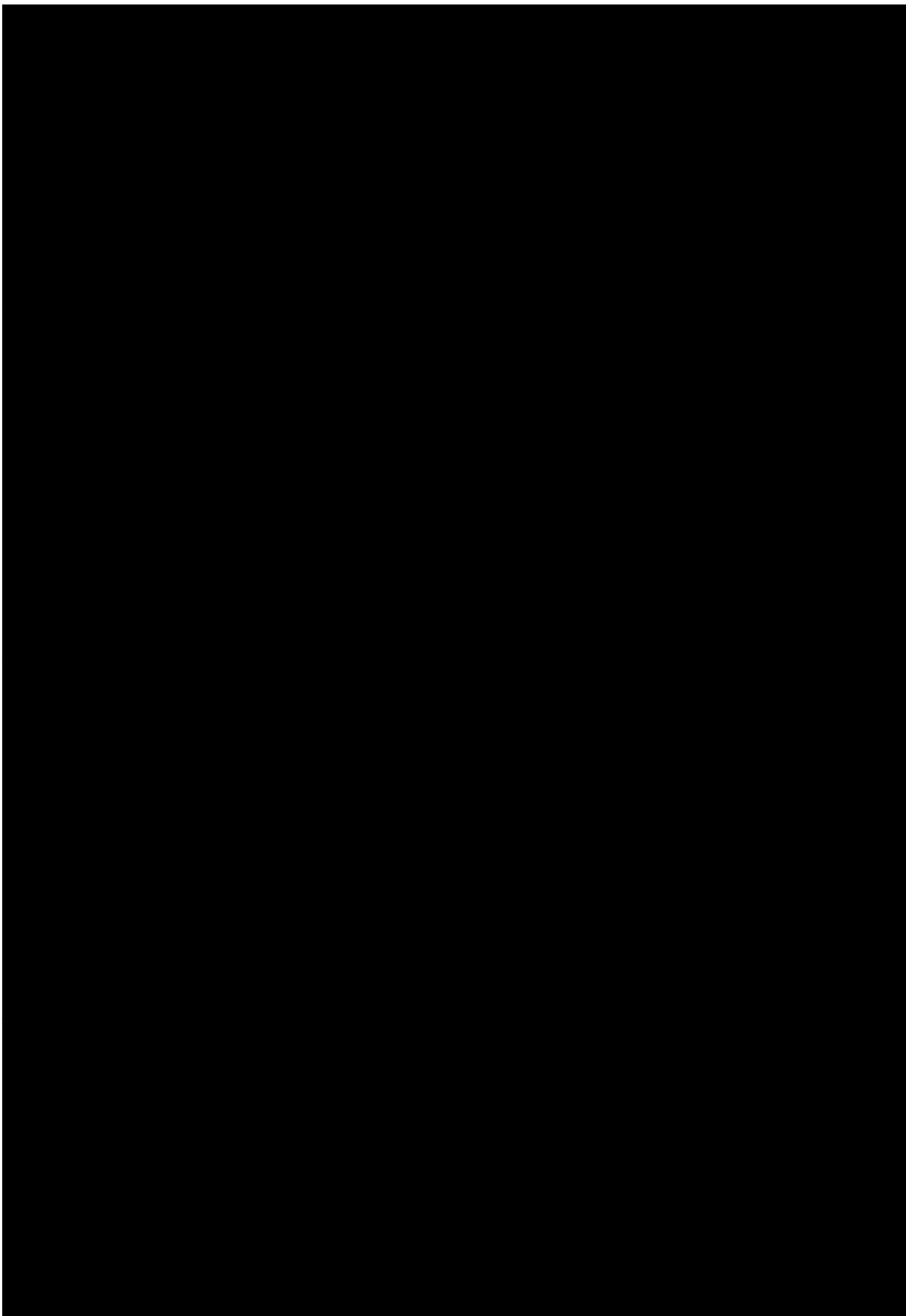


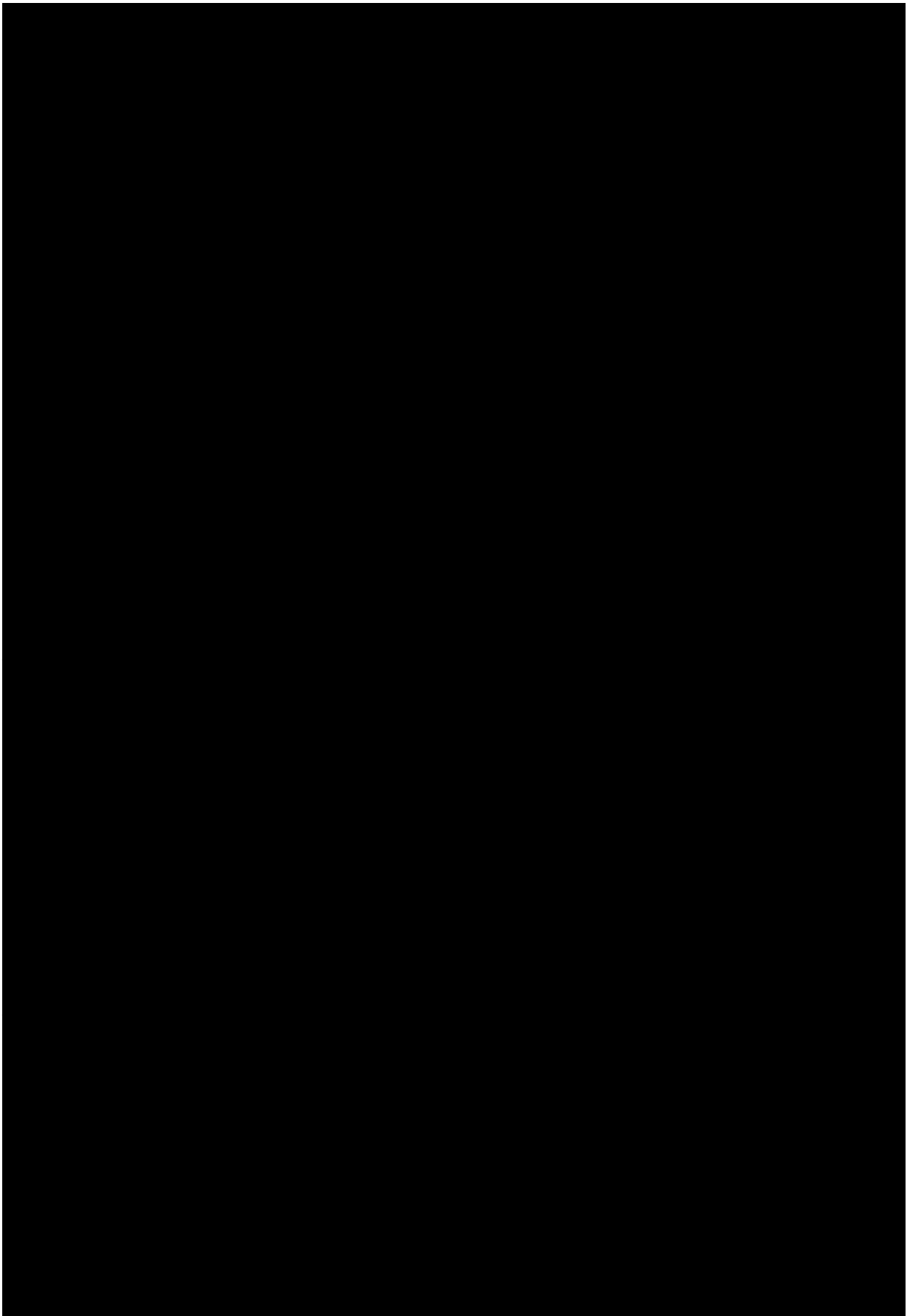


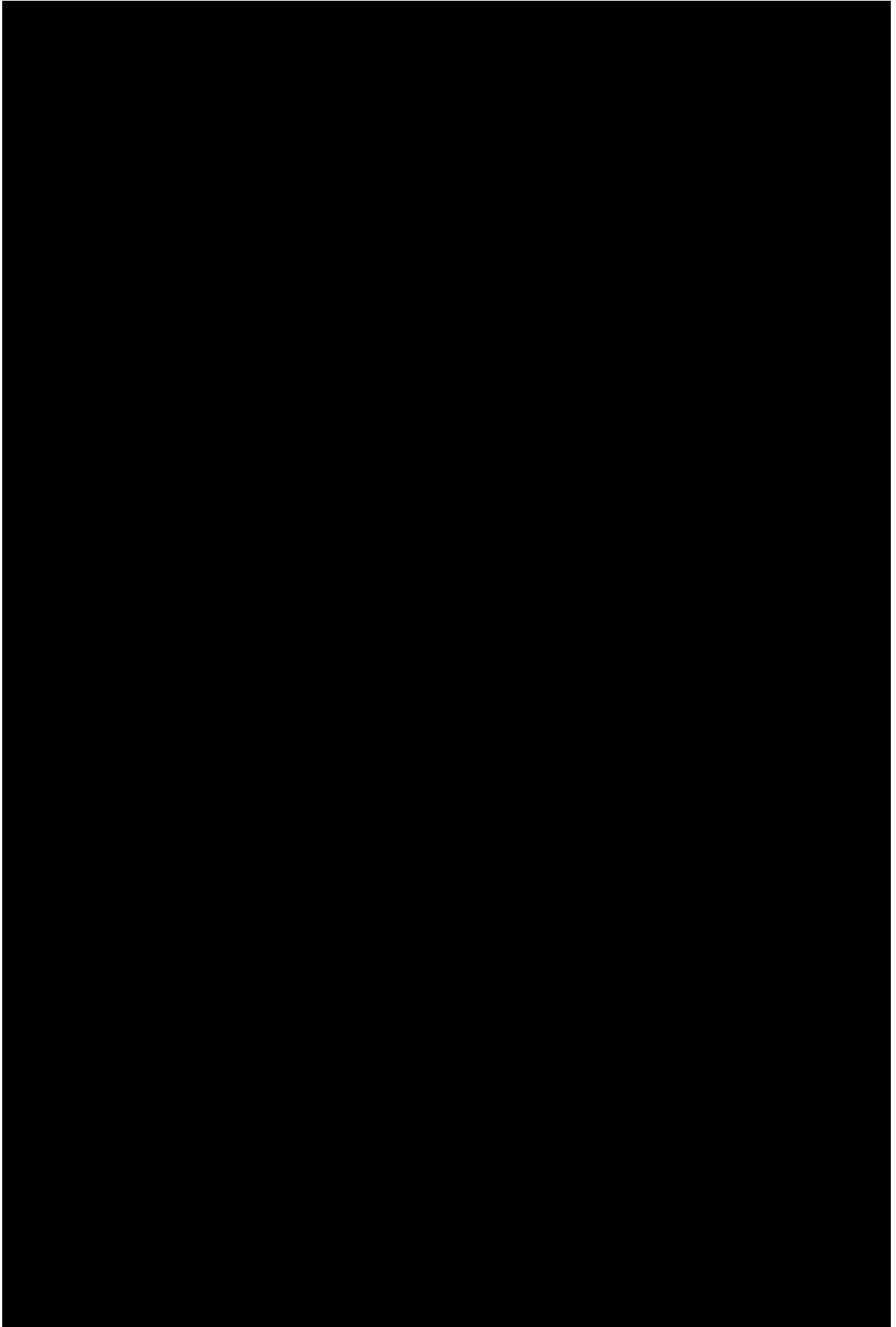


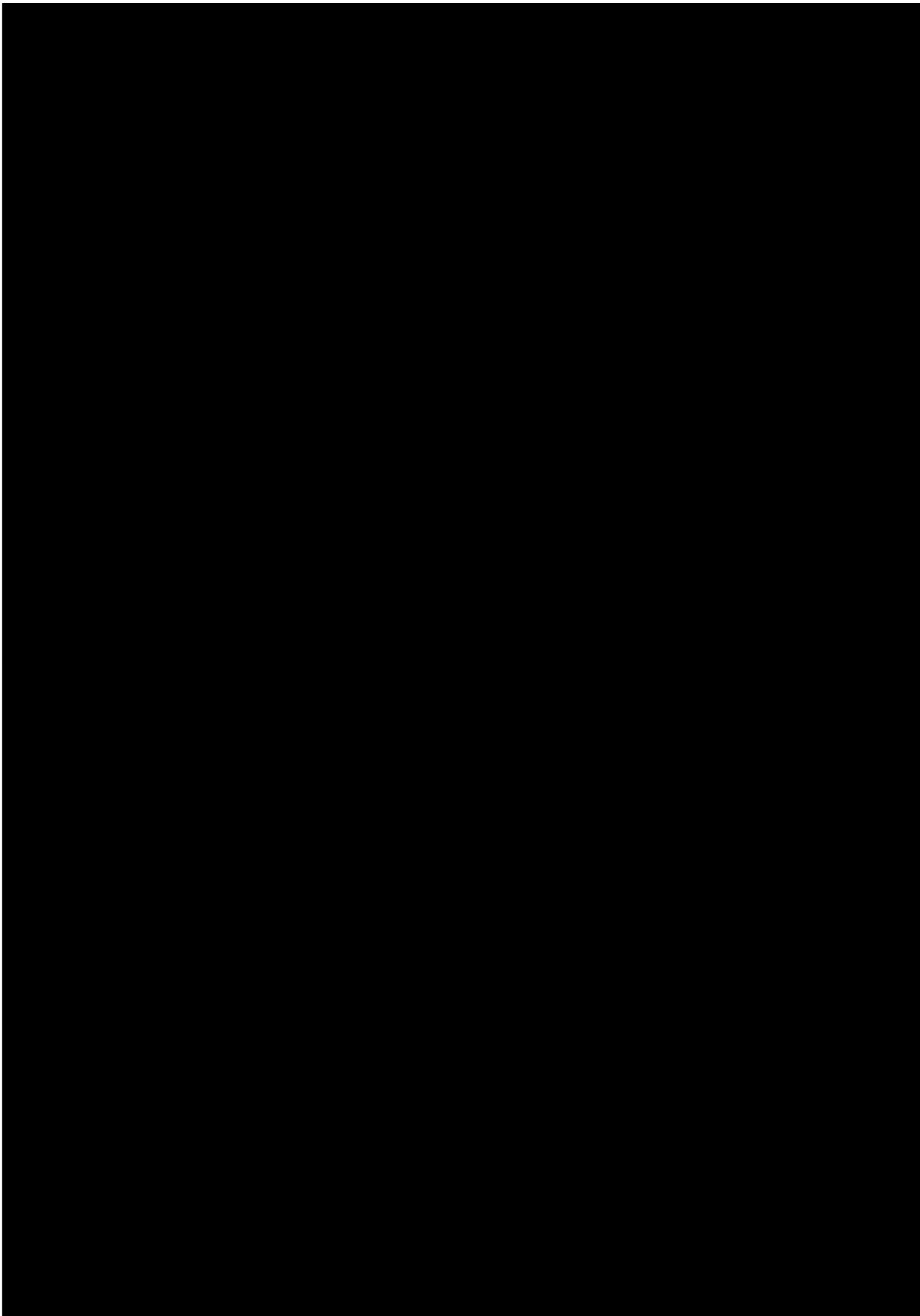


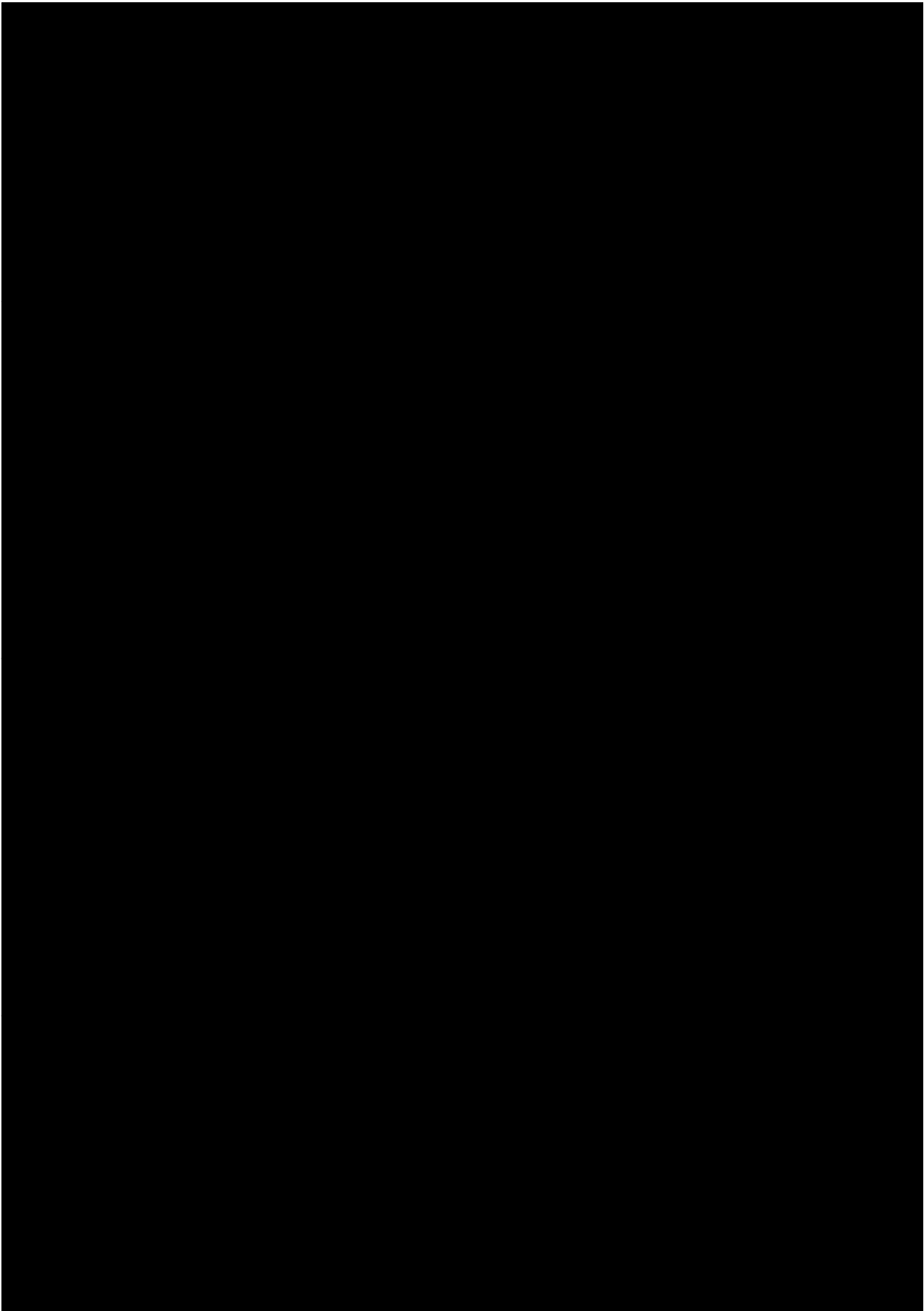


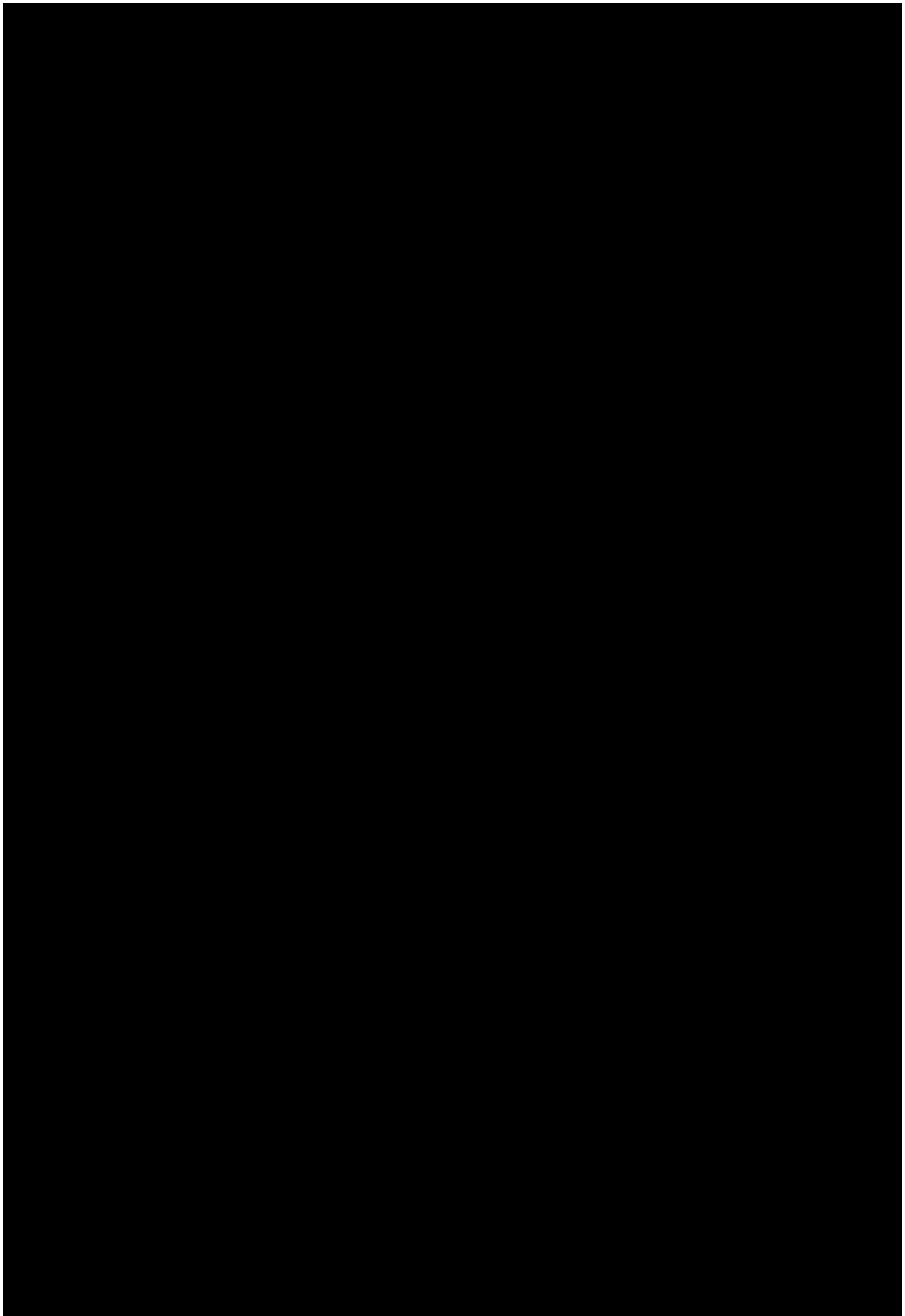


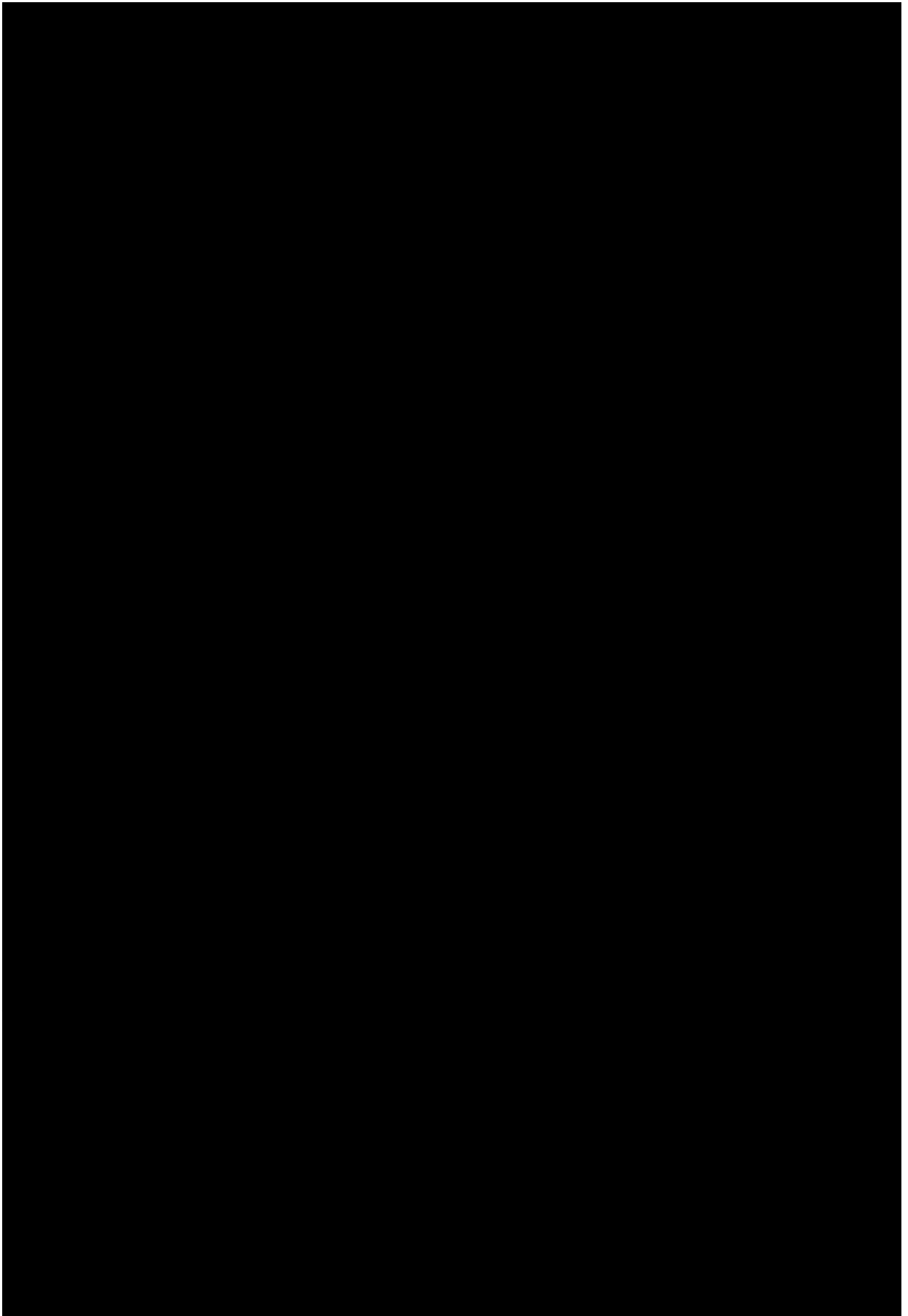


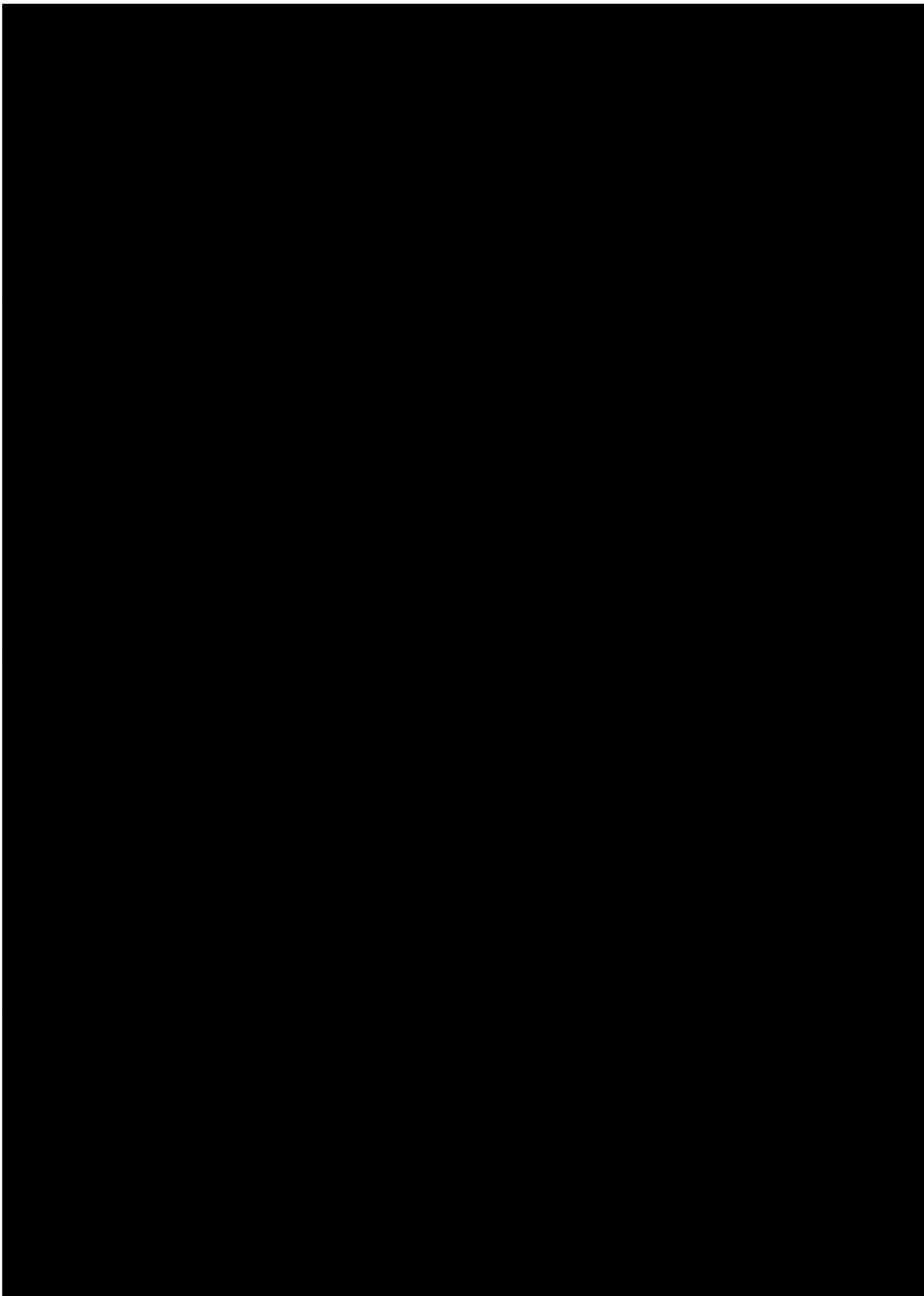
















**Subject:** Extravaganza Early Bird Ticket Deadline is Monday!

**Attachments:** 2013\_Extravaganza\_Qual\_usen.pdf

**Importance:** High

Hello Team Herbalife,

Extravaganza is less than two months away! Get the best price and purchase your **\$75 Early Bird tickets by Monday, August 19th!**

Ticket prices will increase starting Tuesday, August 20<sup>th</sup> - be sure to promote the \$75 Early Bird tickets to your entire team so they can **save some \$\$\$** when they secure their seats at the **most incredible event of the year taking place in none other than Las Vegas!**

**Visit the Extravaganza website now for all of your ticketing and hotel booking needs:**

**<http://www.herbalifeextravaganza.com/northamerica/2013/las-vegas/>**

We can't wait to see you and your entire organization in fabulous Las Vegas!

**Thank you so much!**

~Hugs from your North America Sales & Strategy Team~

Kristin Fauth | Sales & Strategy Associate Manager | North American Sales & Strategy Support

Herbalife | 950 W 190th Street, Torrance, CA 90502

310 410 9600 x 22029 | Direct 310 258 7109

Fax 310 258 7144 | [kristinf@herbalife.com](mailto:kristinf@herbalife.com)

[www.herbalifeevents.com](http://www.herbalifeevents.com)



**HERBALIFE.**  
**EXTRAVAGANZA**  
 LAS VEGAS, NEVADA | OCTOBER 11-13, 2013



## CELEBRATE YOUR SUCCESS.

Attend the most motivational and electrifying event of the year, the 2013 Extravaganza!

Herbalife Extravaganza, the one weekend adventure that won't stay in Vegas. Celebrate, network and learn to build a more successful business – and a healthier you – from top Herbalife Distributors.

### EVENT QUALIFICATIONS

**Qualification Period: July to September 2013**

Open to all Distributors who purchase a ticket.

### EVENT PROMOTIONS

#### JULY SPECIAL PROMOTION

**Double Volume Up to 7,500 Bonus Points**

All Fully Qualified Supervisors can earn up to 7,500 Bonus Points in the month of July toward the Silver and Gold Extravaganza promotions.

#### NEW SUPERVISOR PROMOTION

**Double Volume Up to 7,500 Bonus Points**

All 2013 Fully Qualified Supervisors can purchase their tickets at the special price of \$75 and earn Double Volume up to 7,500 Bonus Points towards the Silver and Gold Extravaganza promotions in their first month of becoming a Fully Qualified Supervisor.\*

#### NEW DISTRIBUTOR PROMOTION

All new Distributors can purchase their tickets at the special price of \$75. This promotion is open to all new Distributors during the July–October qualification period.

\*Qualifying Supervisor volume cannot be counted. Only volume placed as a Fully Qualified Supervisor can be counted.

The event will be translated into Spanish, French, Russian, Polish, Mandarin, Korean and American Sign Language (ASL).

**Purchase your tickets today at [HerbalifeEvents.com](http://HerbalifeEvents.com)  
 or by calling 866-866-4744!**

Two tickets maximum per Distributionship. Ticket sales are final – they are non-transferable and non-refundable. Video cameras are not allowed. Children are not permitted. All qualifications must be completed prior to the day of the event. Herbalife reserves the right to revalidate Distributor qualifications up to and including the days of the event. Must be present at the event to redeem all promotions.



Video cameras  
are not allowed.



Children  
are not permitted.

### COMMEMORATIVE ACTIVE WORLD TEAM MEDALLION PROMOTION

Open to all Fully Qualified Supervisors who qualify for the Active World Team from September 2012 to August 2013.  
 (Recognized from October 2012 to September 2013)

### EVENT PROMOTION

#### RECOGNITION PARTY

For everyone that attends the event and purchases a ticket.

#### SILVER VIP

##### \$250 Cash and VIP Seating

Achieve a total of 25,000 accumulated Total Volume Points in three consecutive months within the qualification period.

#### GOLD VIP

##### \$250 Cash, VIP Seating and Exclusive Cirque du Soleil Theme Dinner and Dance

Achieve a total of 30,000 accumulated Total Volume Points in three (3) consecutive months within the qualification period.

### TICKETS

**EARLY BIRD: \$75** SKU #C224  
(Available until July 31)

**ADVANCE: \$80** SKU #C237  
(Available until September 1)

**REGULAR: \$100** SKU #C267

**AT THE DOOR: \$175\*** SKU #C268

\*Tickets at the door if space permits.

© 2013 Herbalife International of America, Inc. All rights reserved. USA. EVT20206-USEN-01 07/13

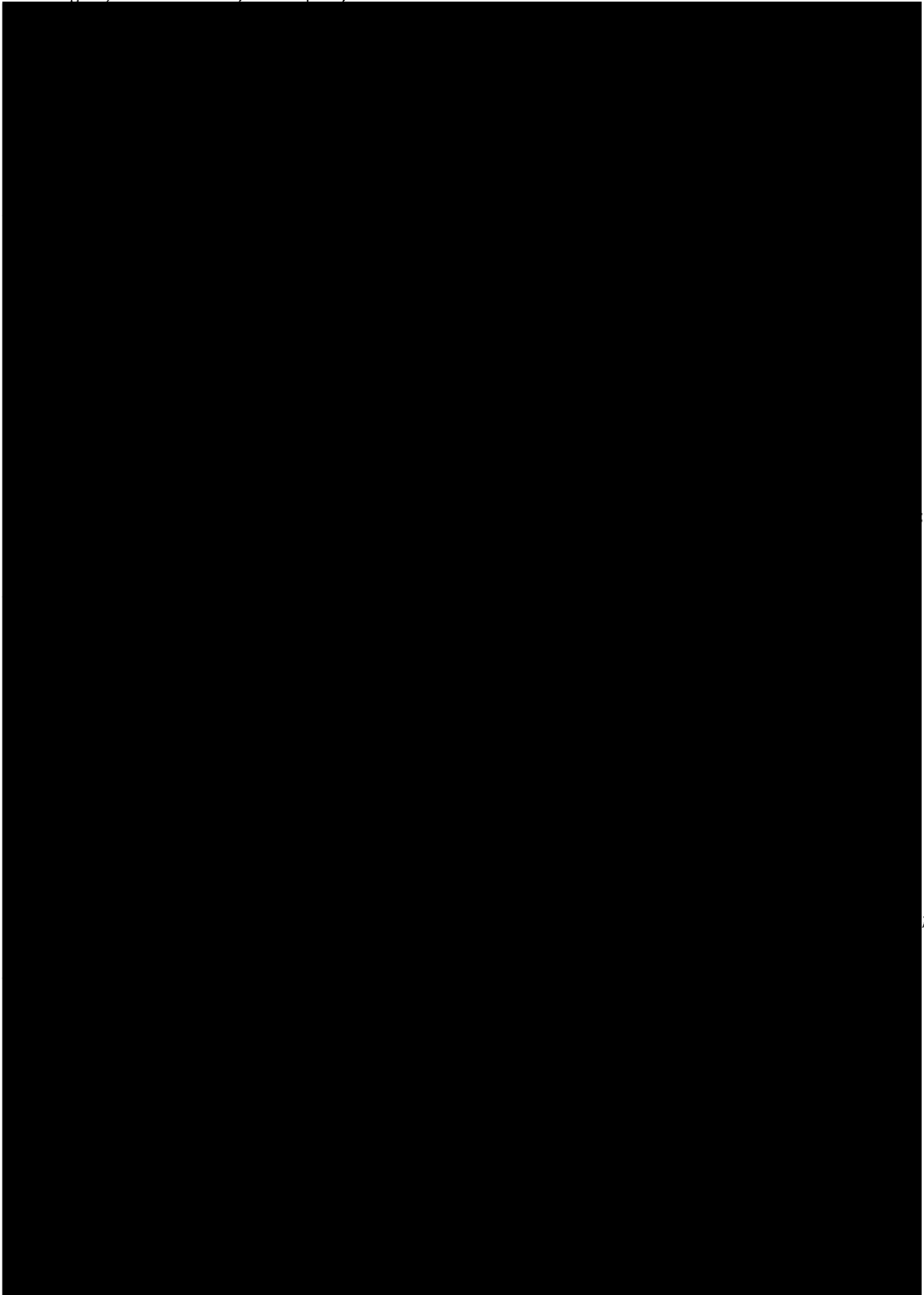
**MORE WAYS TO EXPERIENCE EXTRAVAGANZA THE EVENT THAT WILL HELP YOU BUILD YOUR FUTURE**

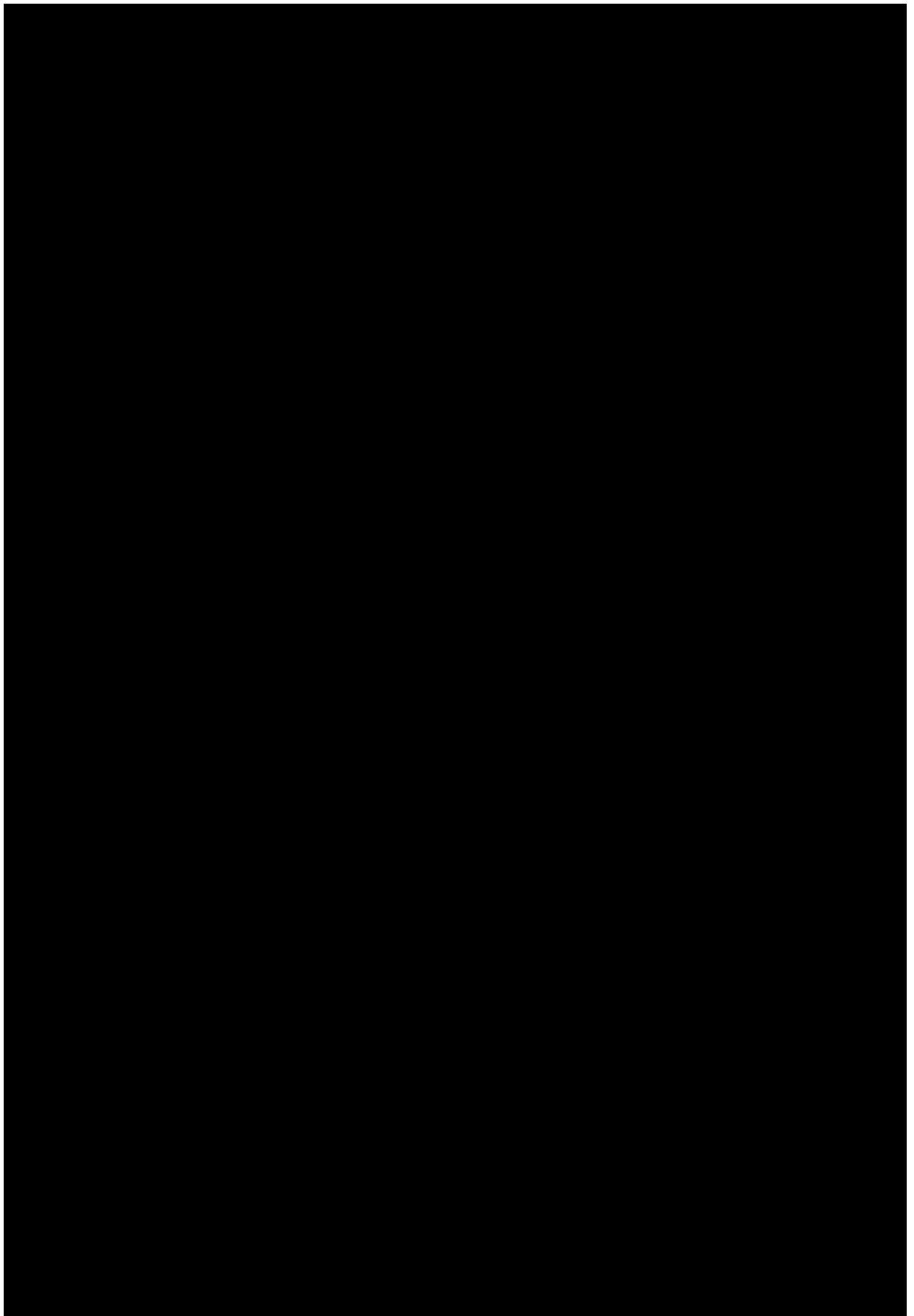
# EXHIBIT 1

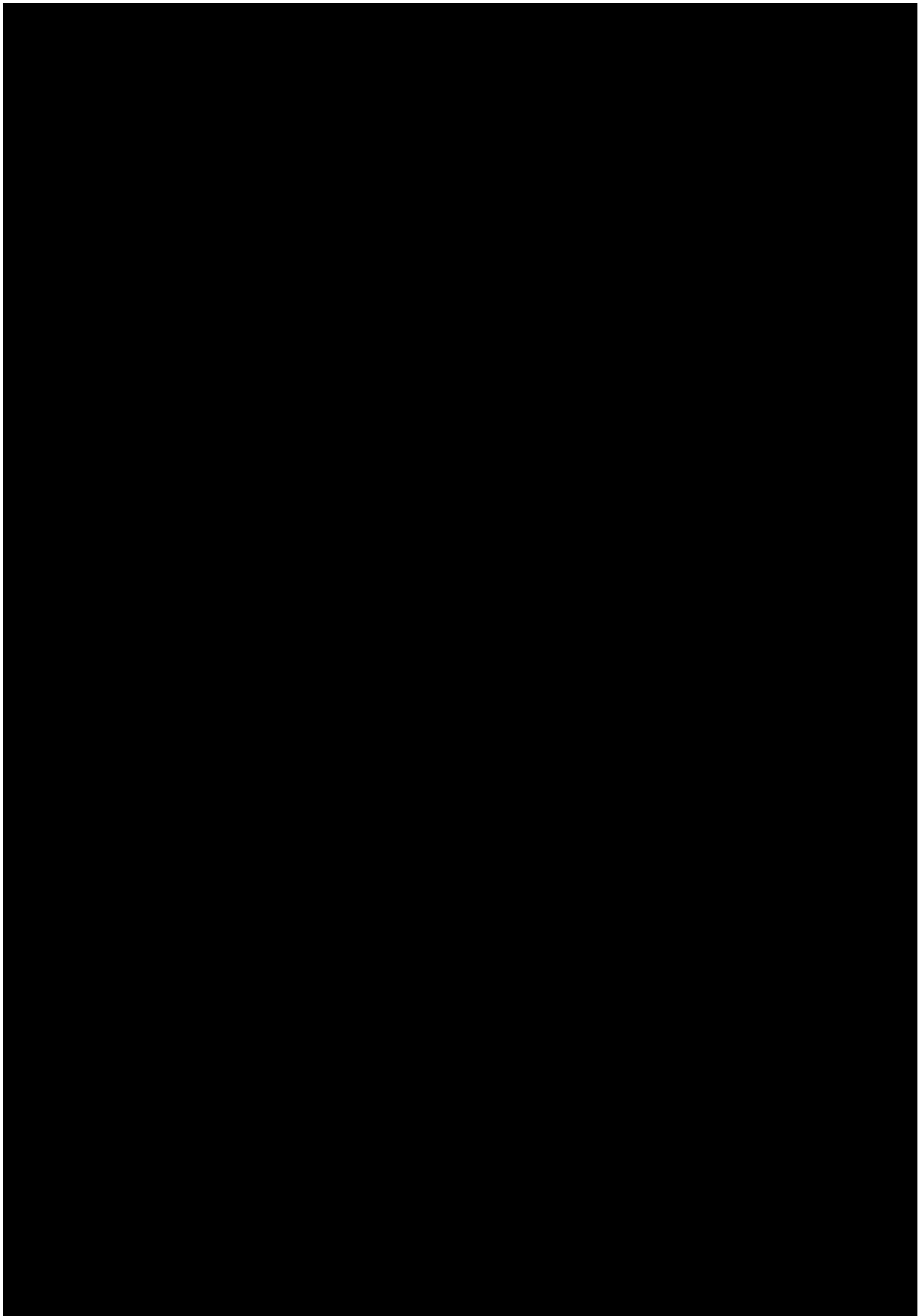
Message

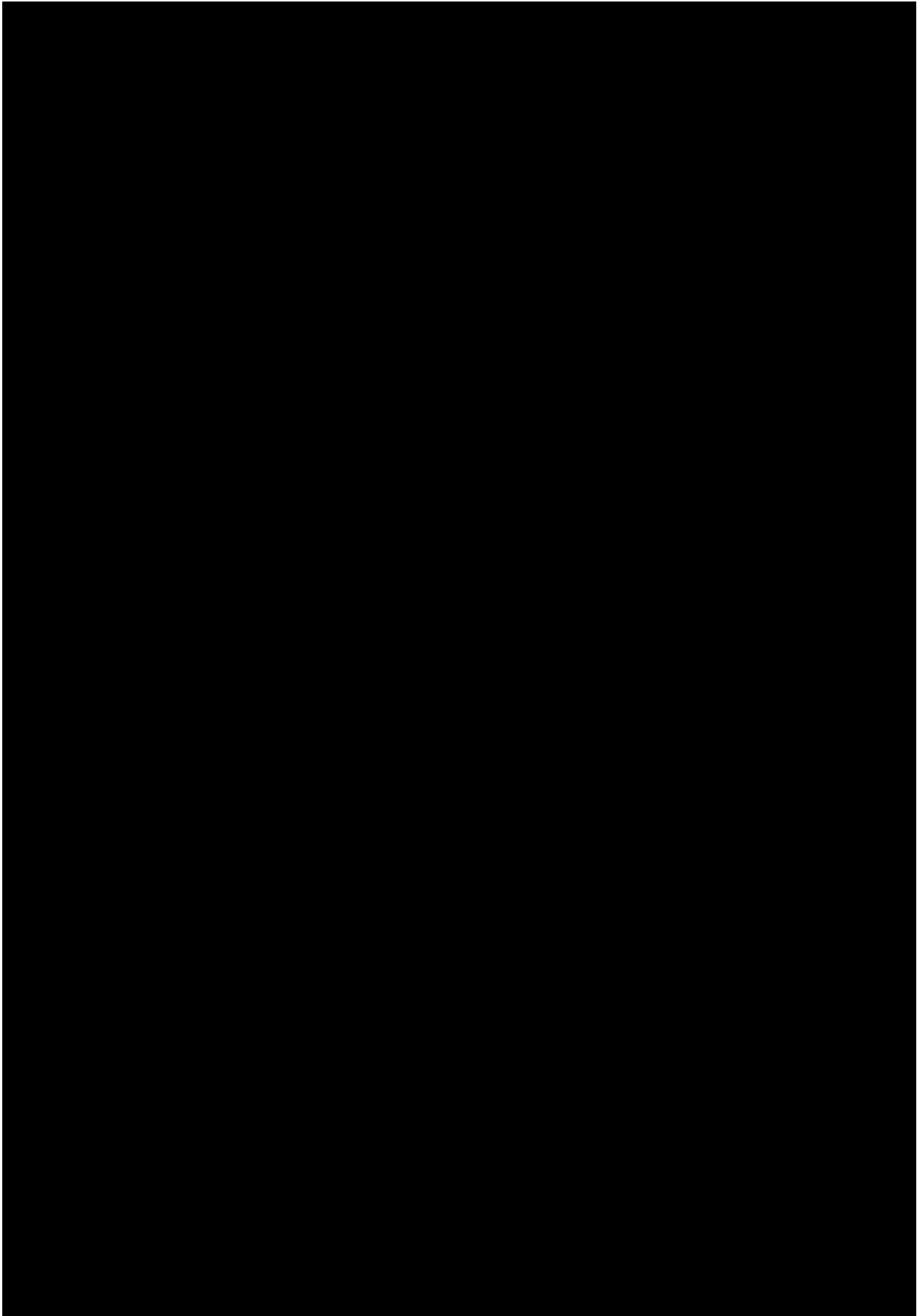
---

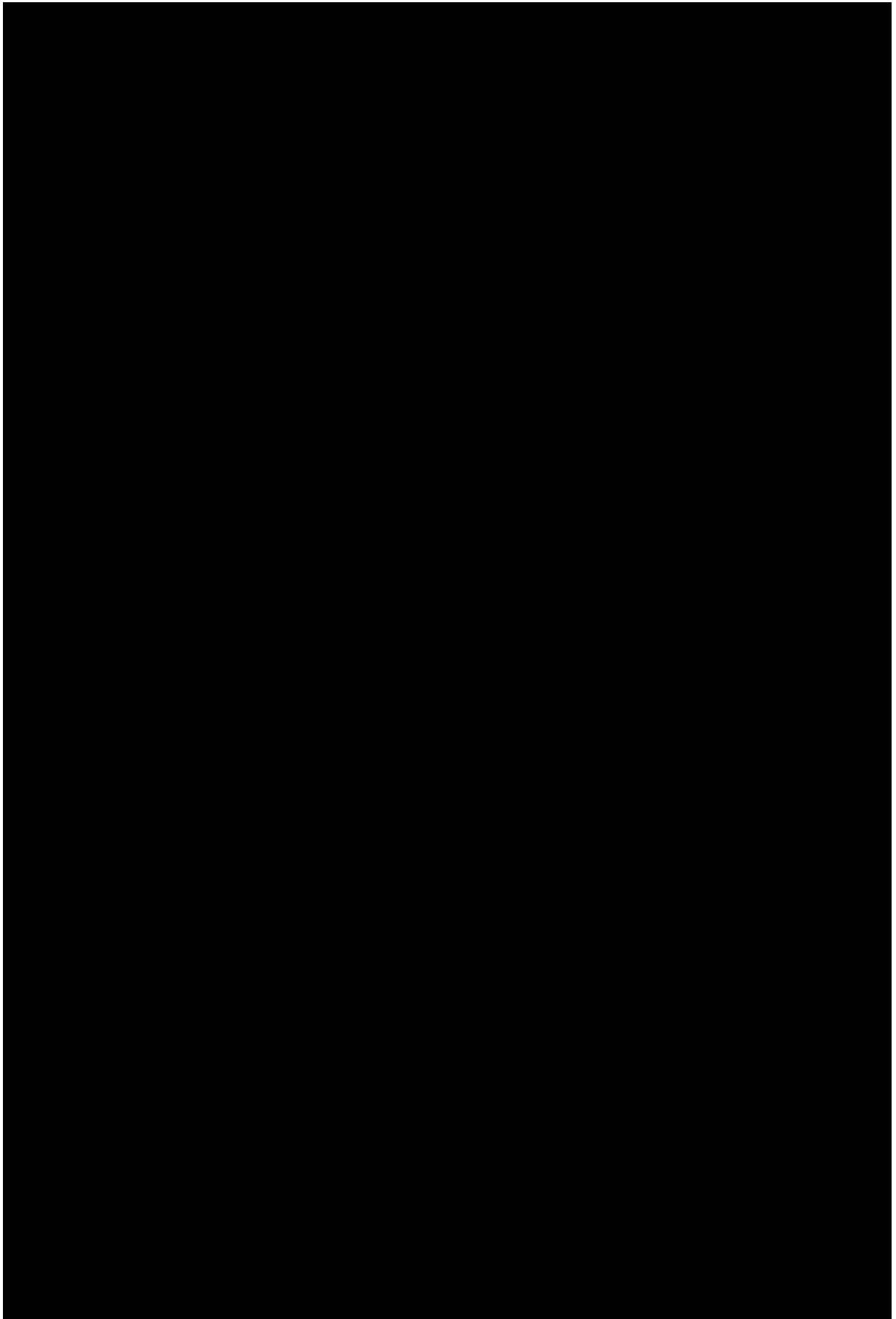
**From:** Kristin Fauth [Kristin Fauth]  
**Sent:** 8/16/2013 5:13:21 PM  
**CC:** Bob Bogard; Saul Hernandez; Alex Topete; Cesar Rodarte  
**BCC:**



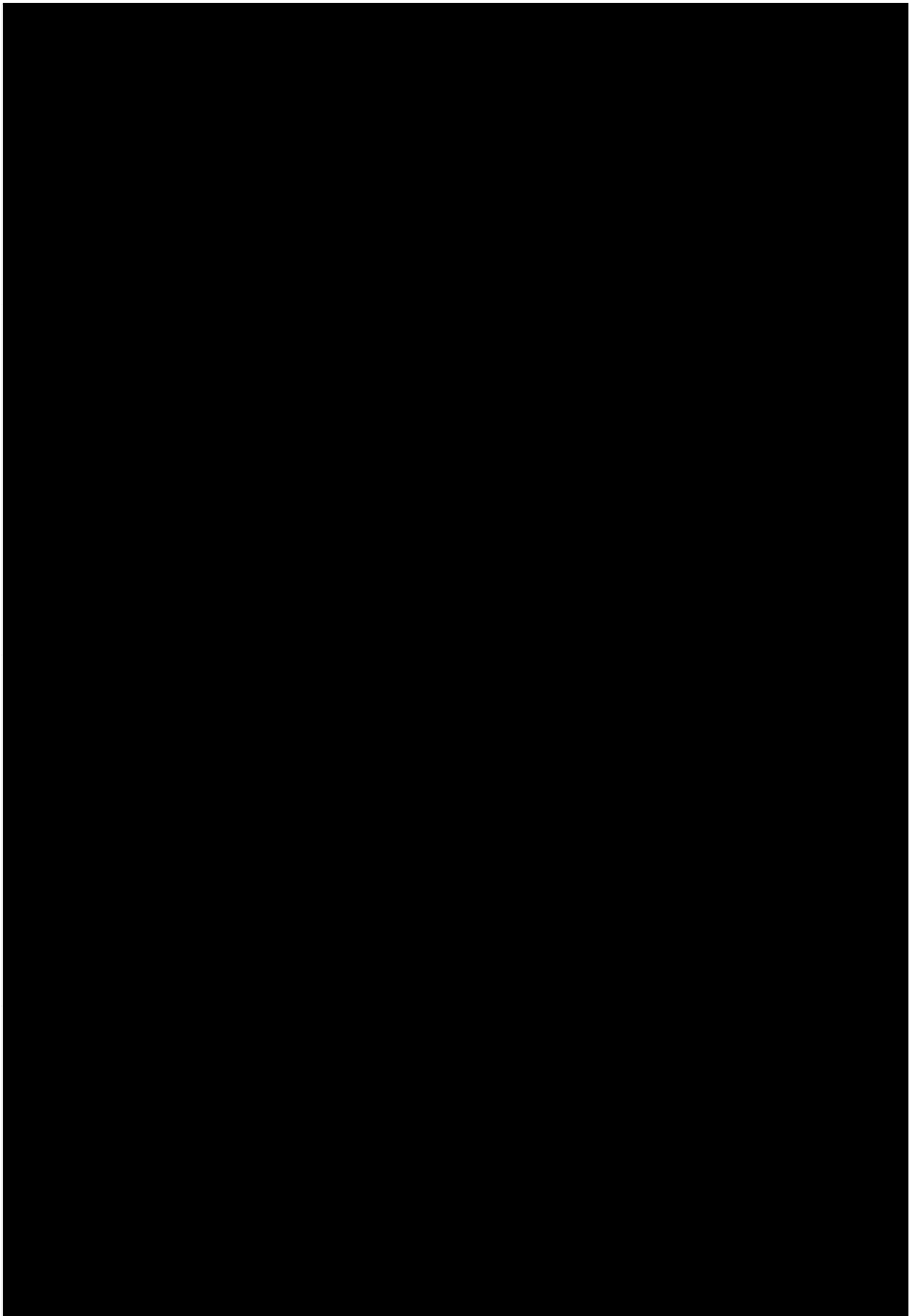


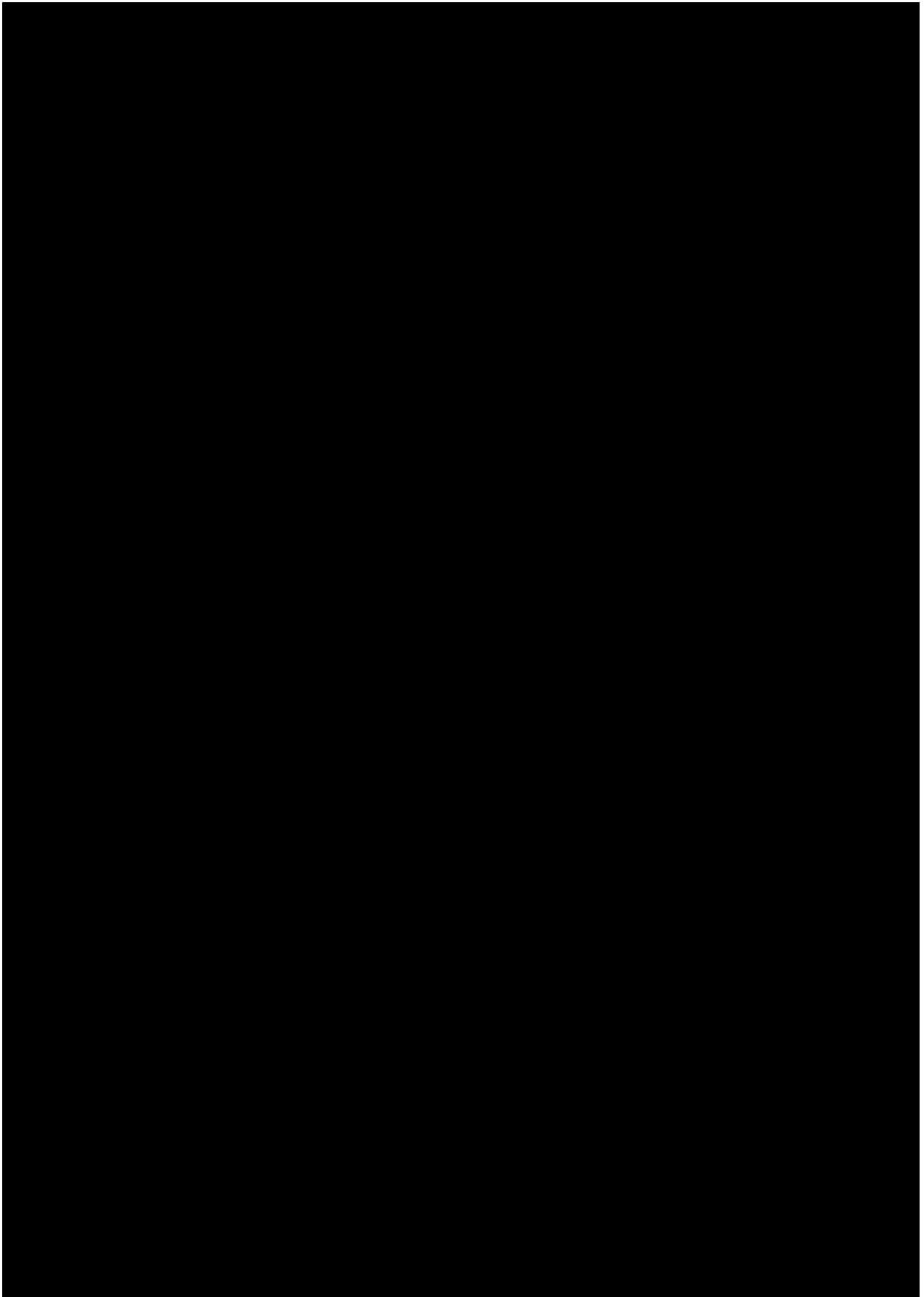


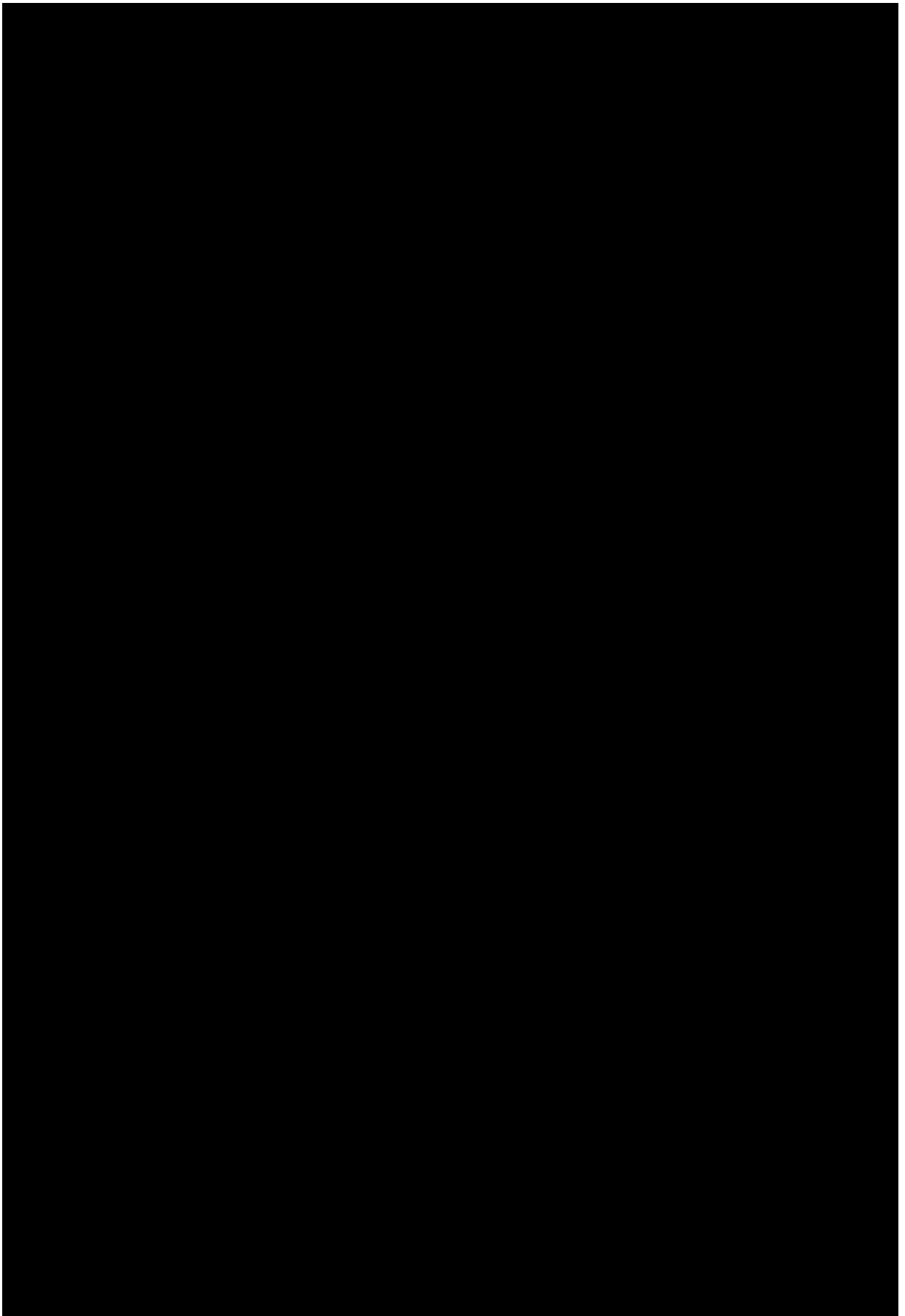


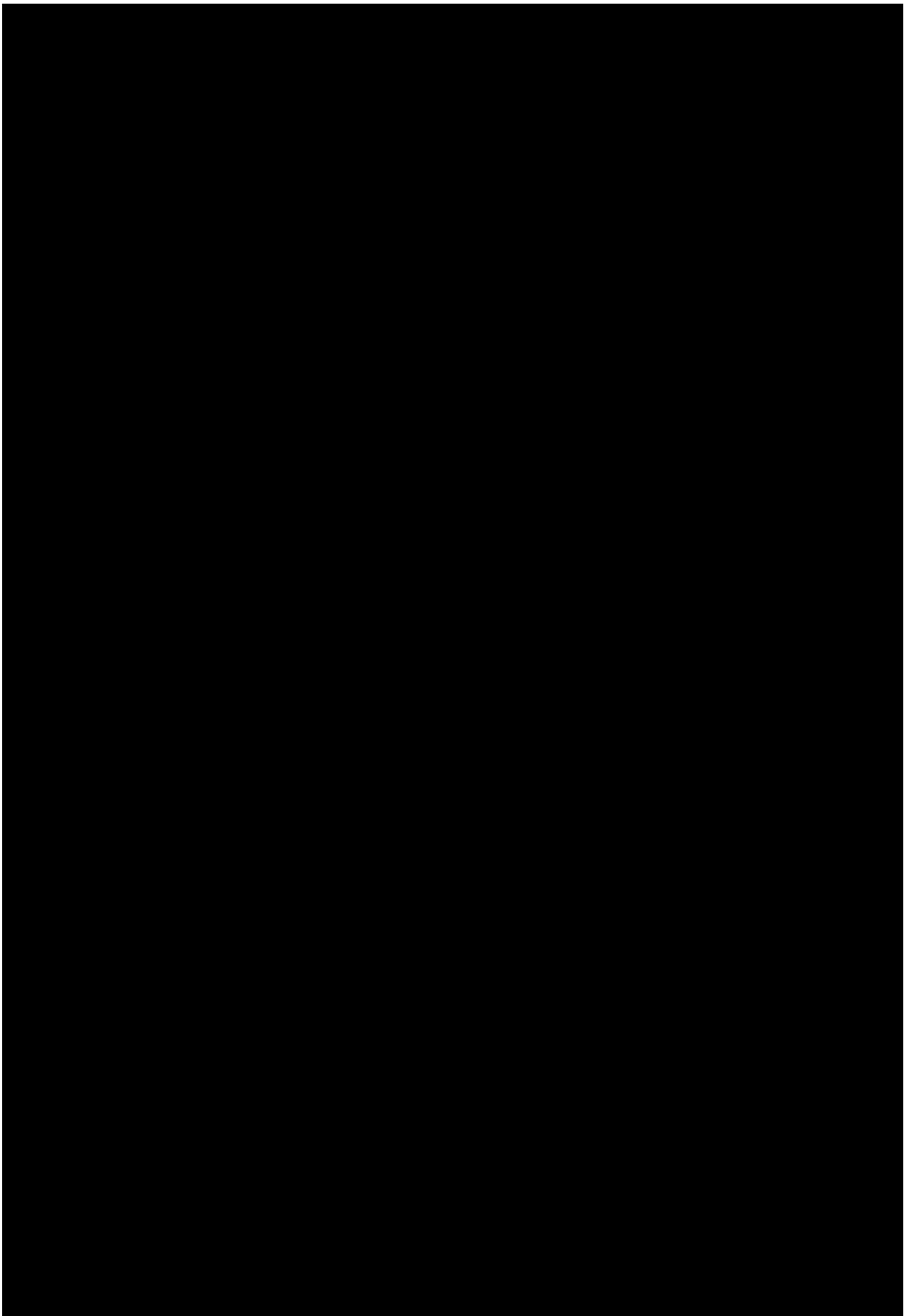


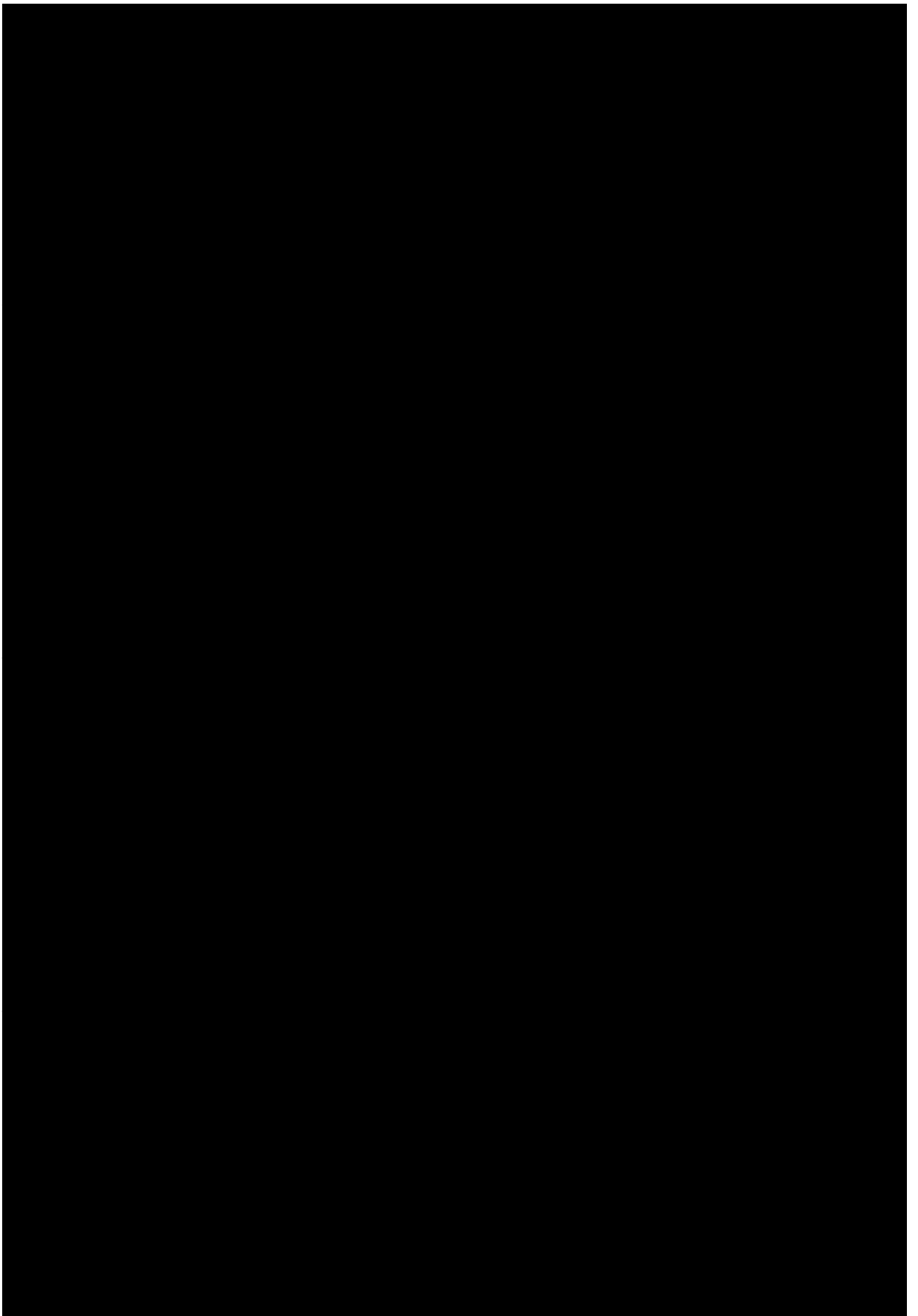


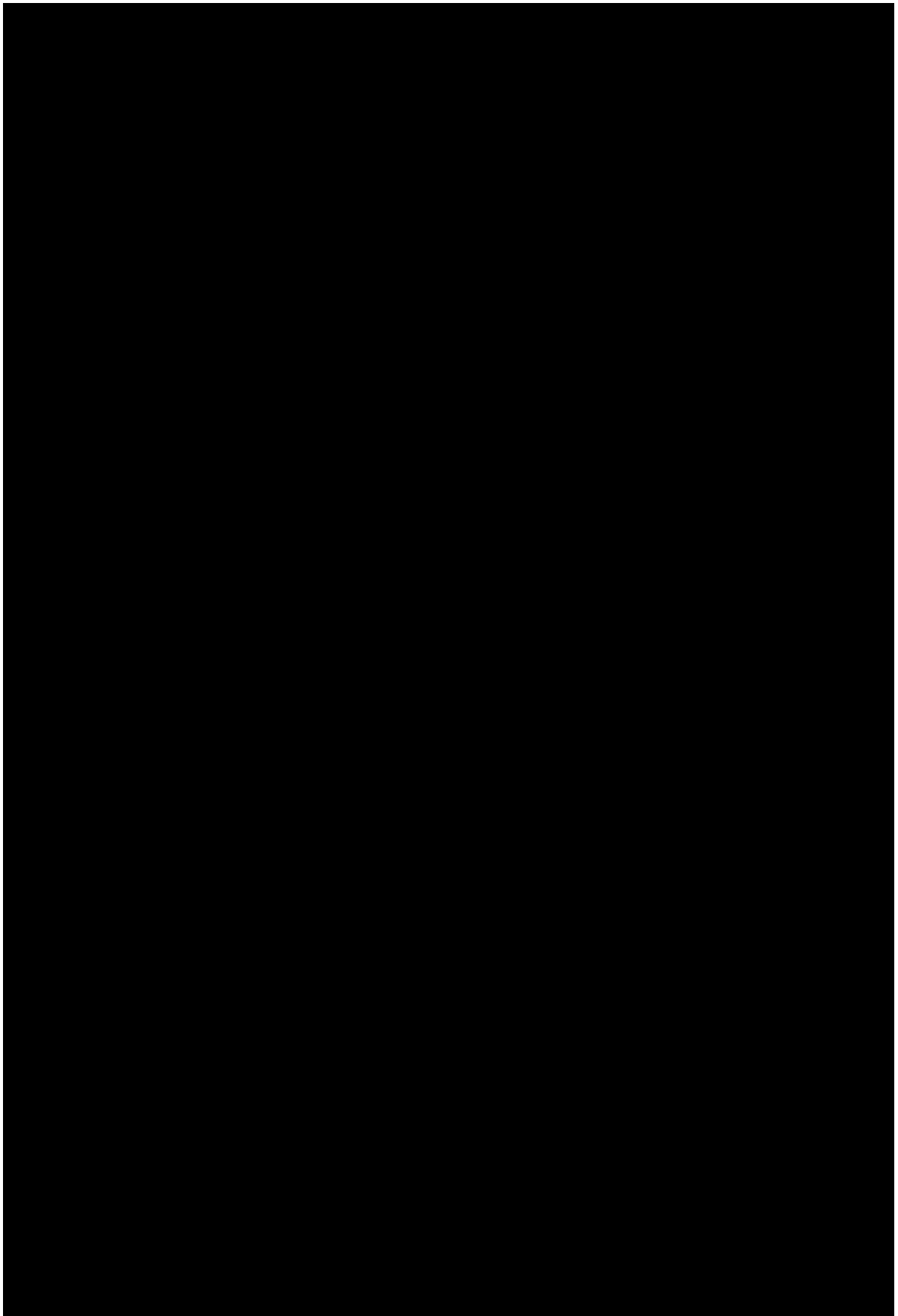


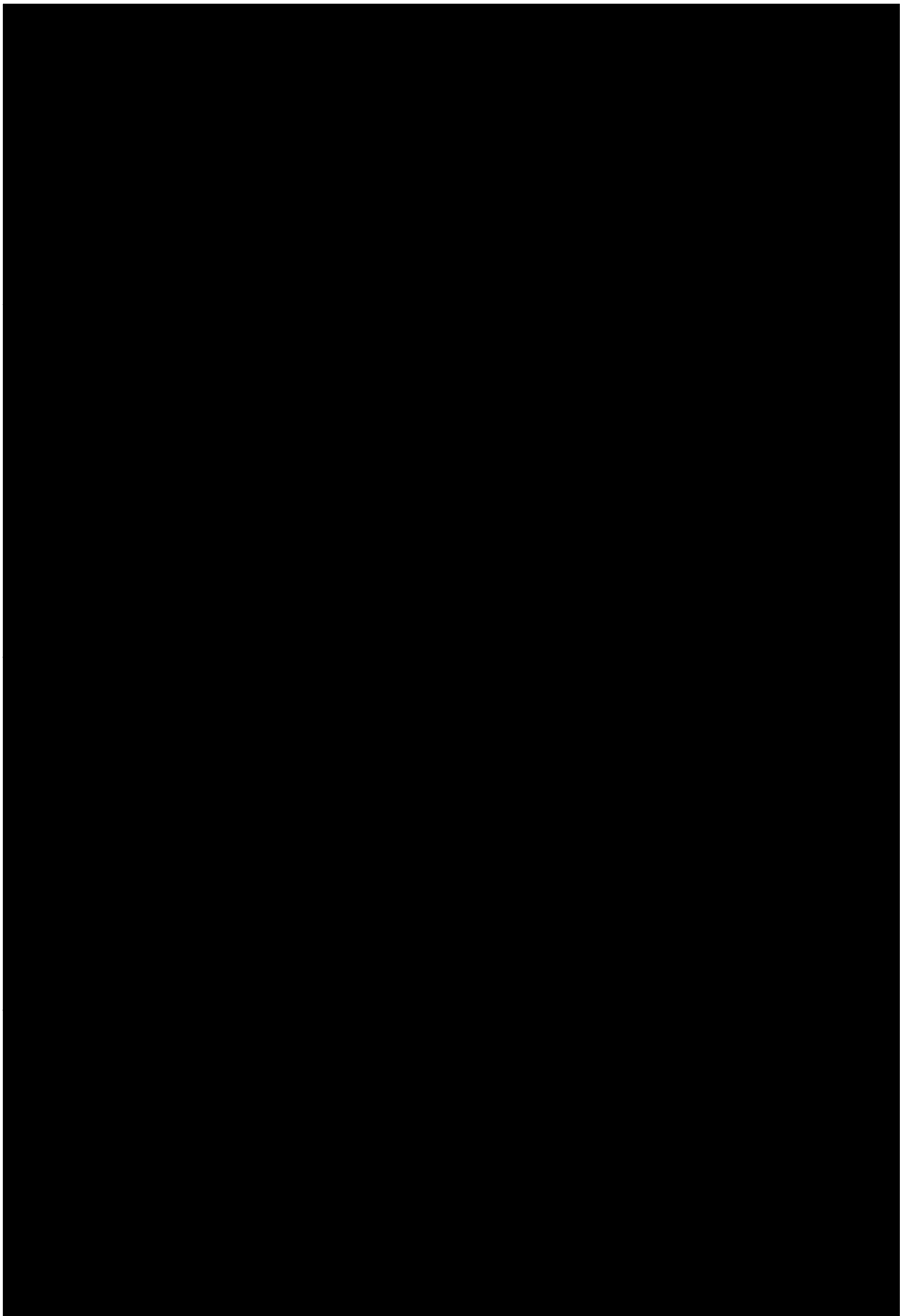


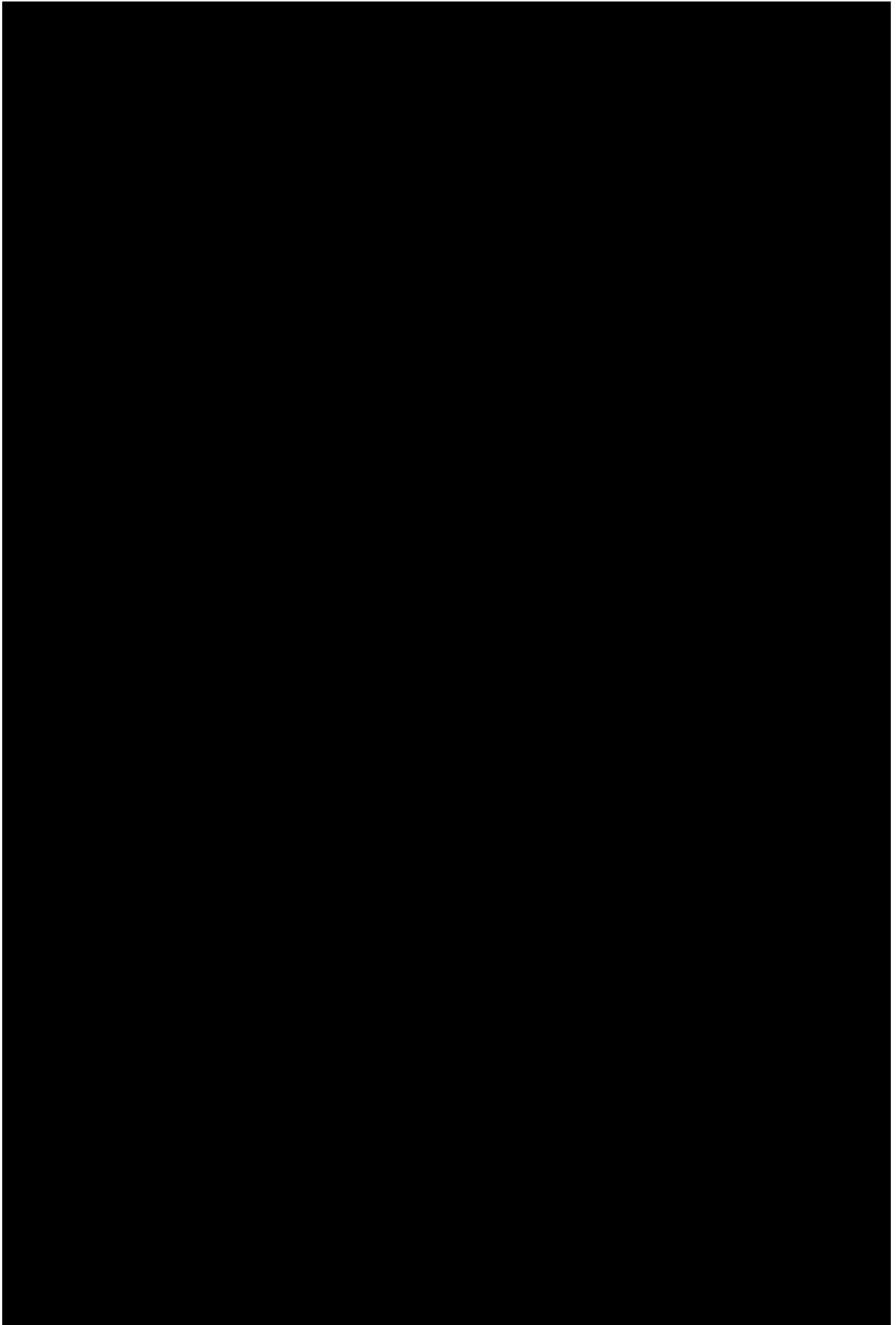




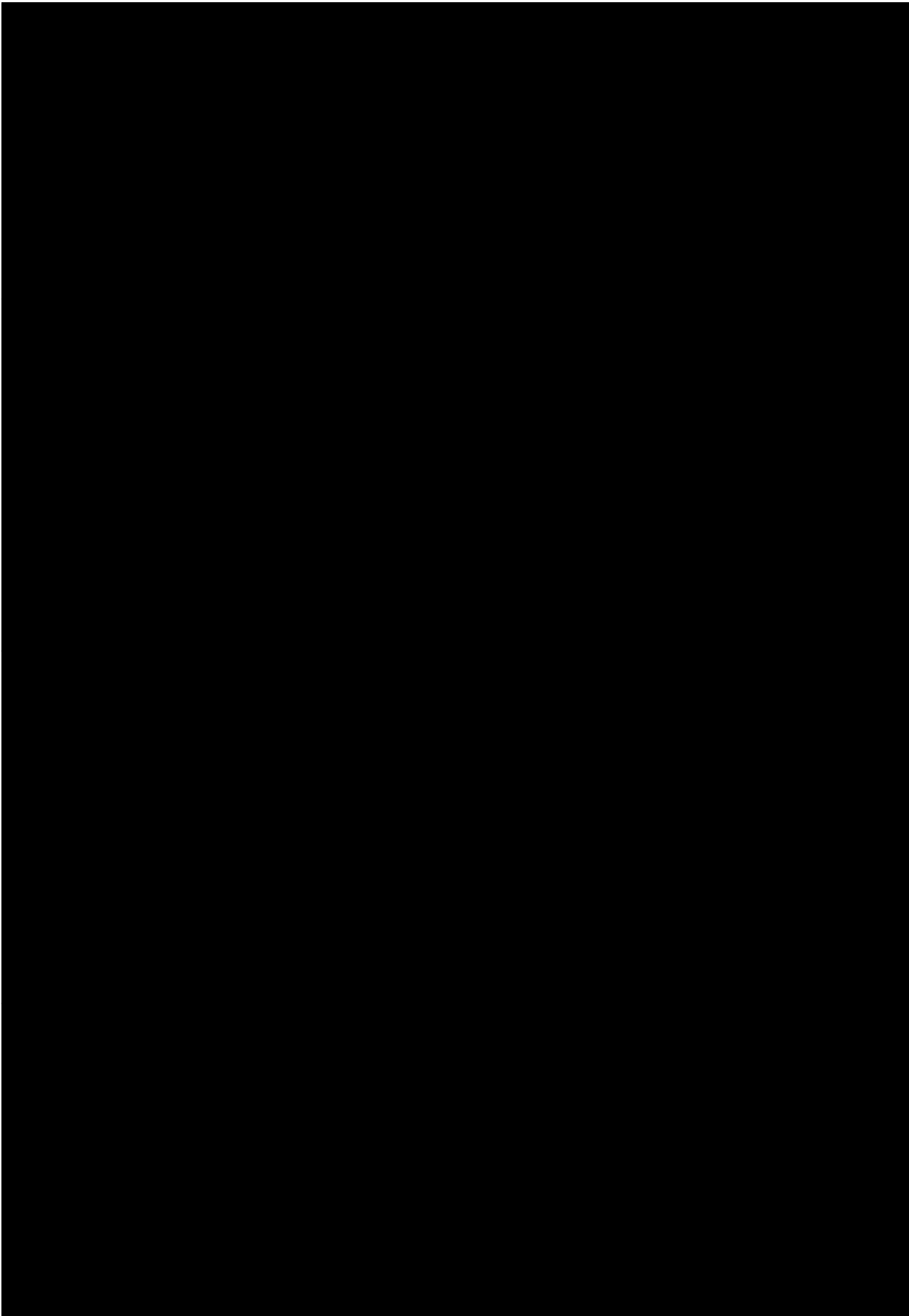


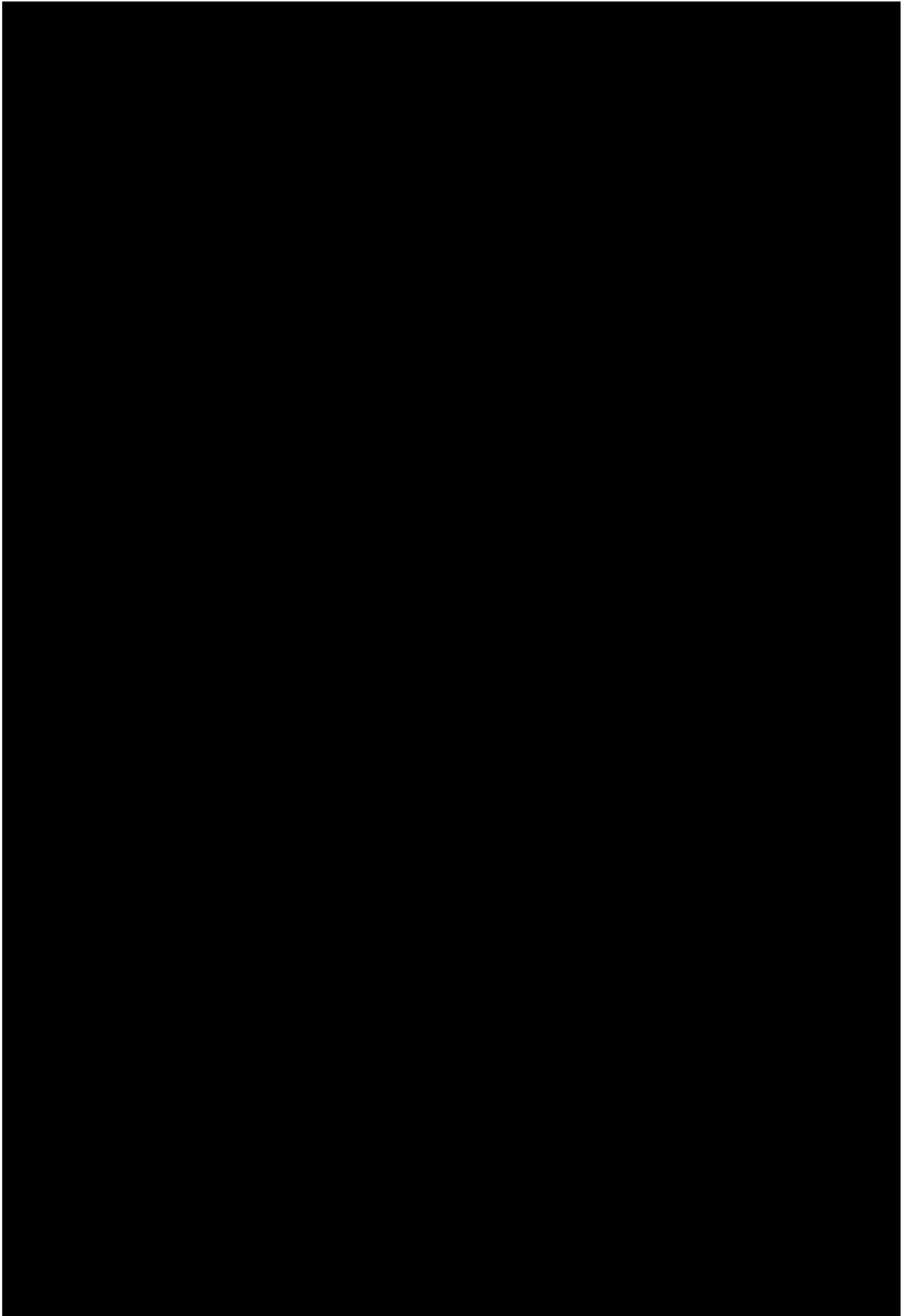


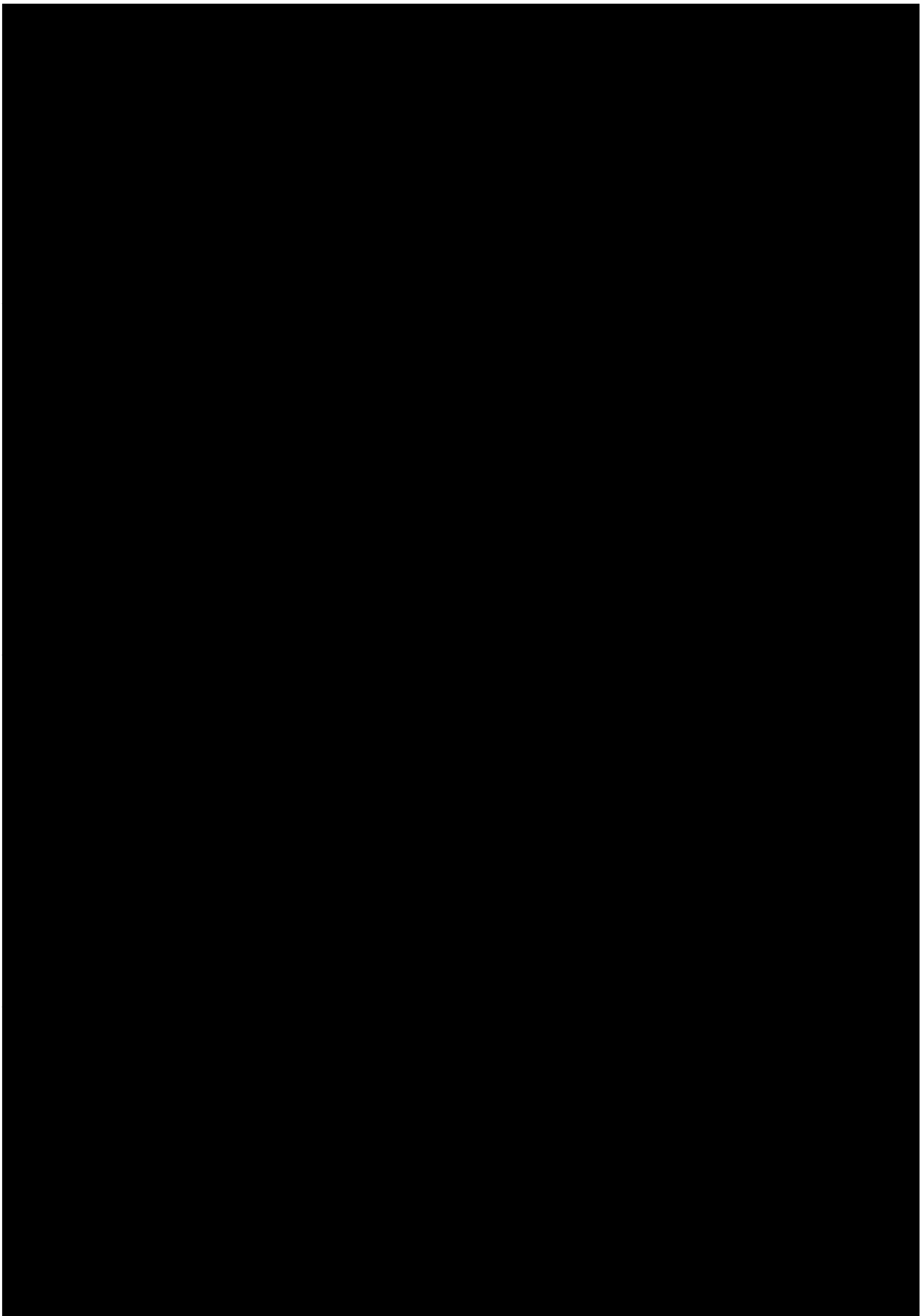


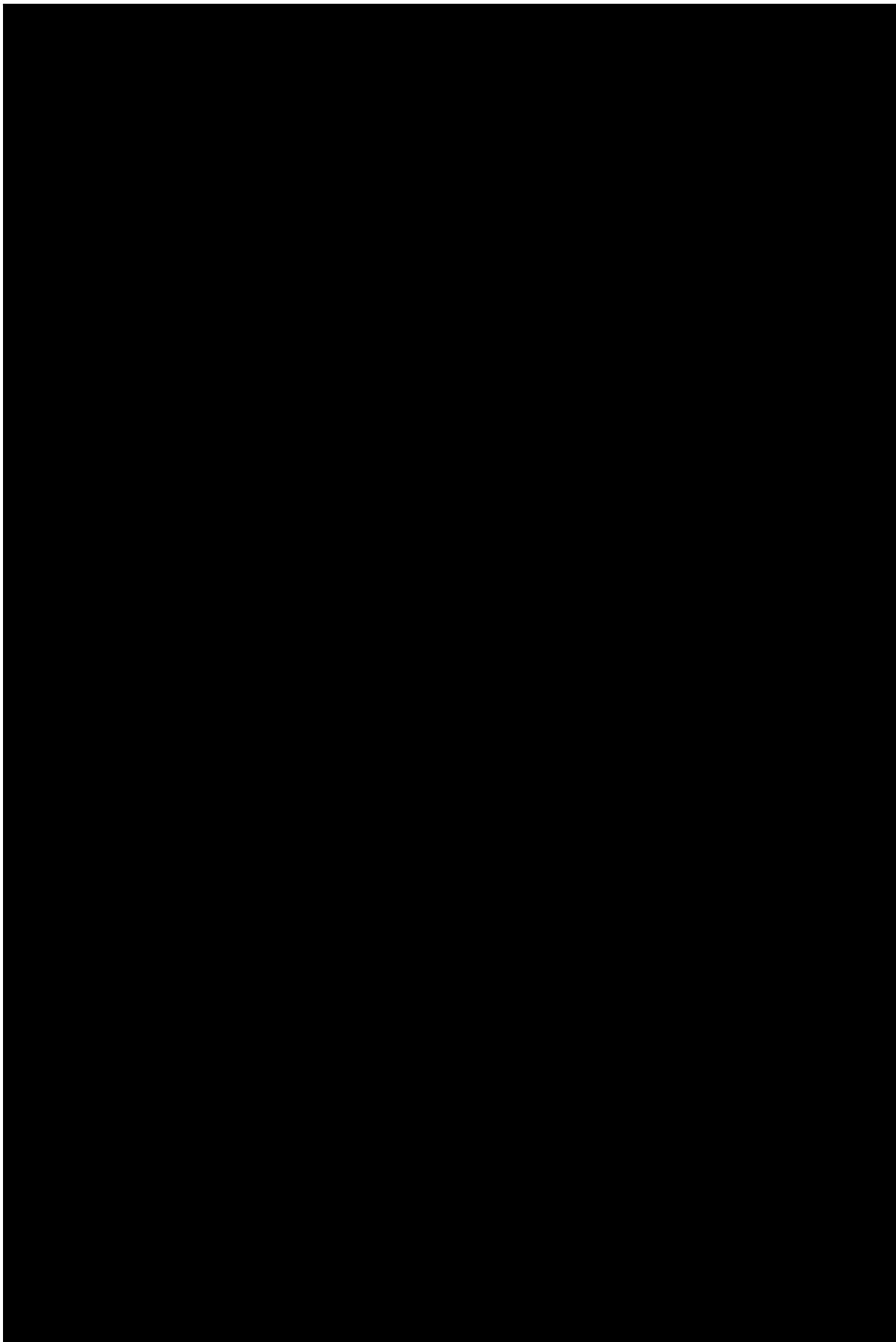


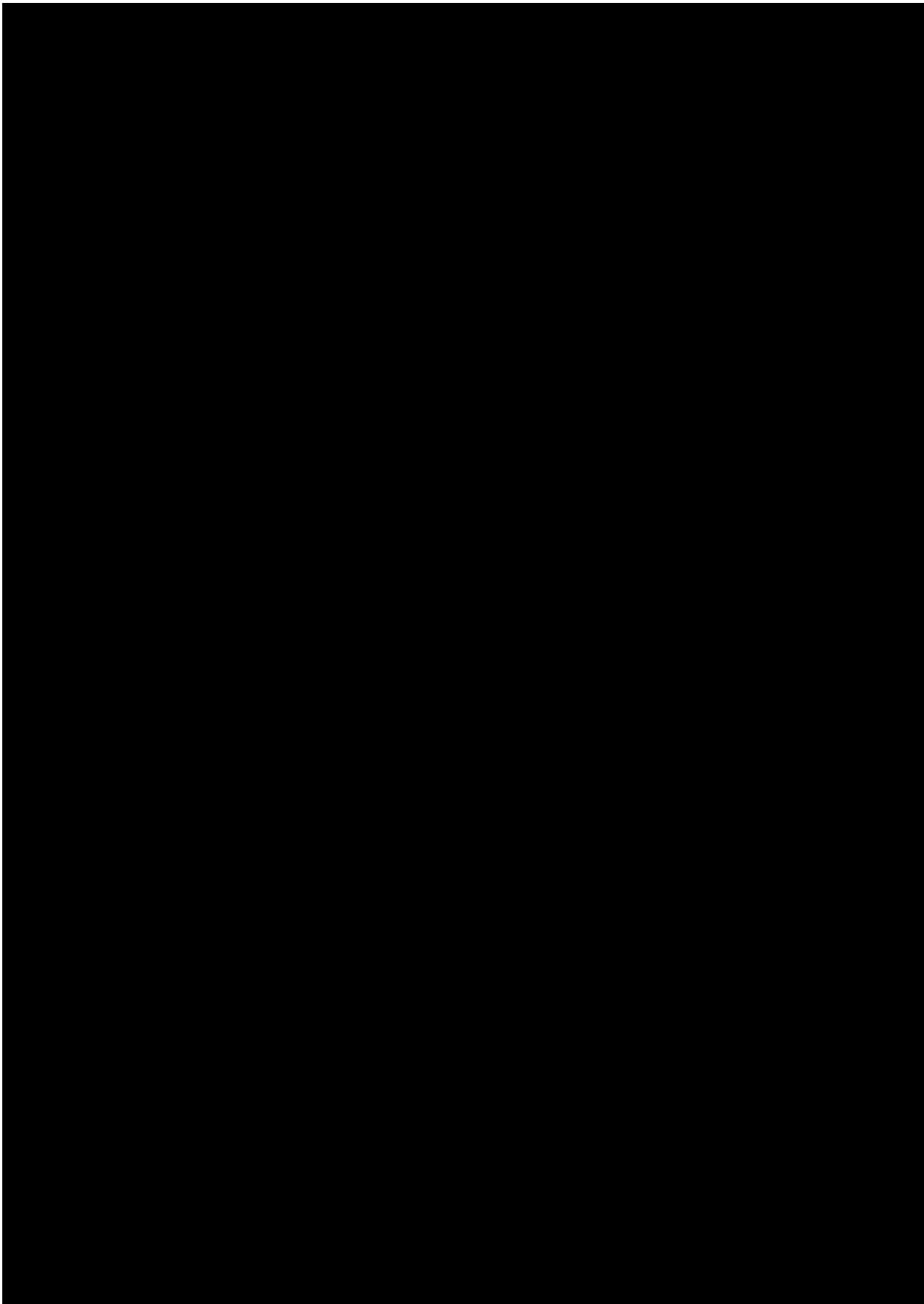


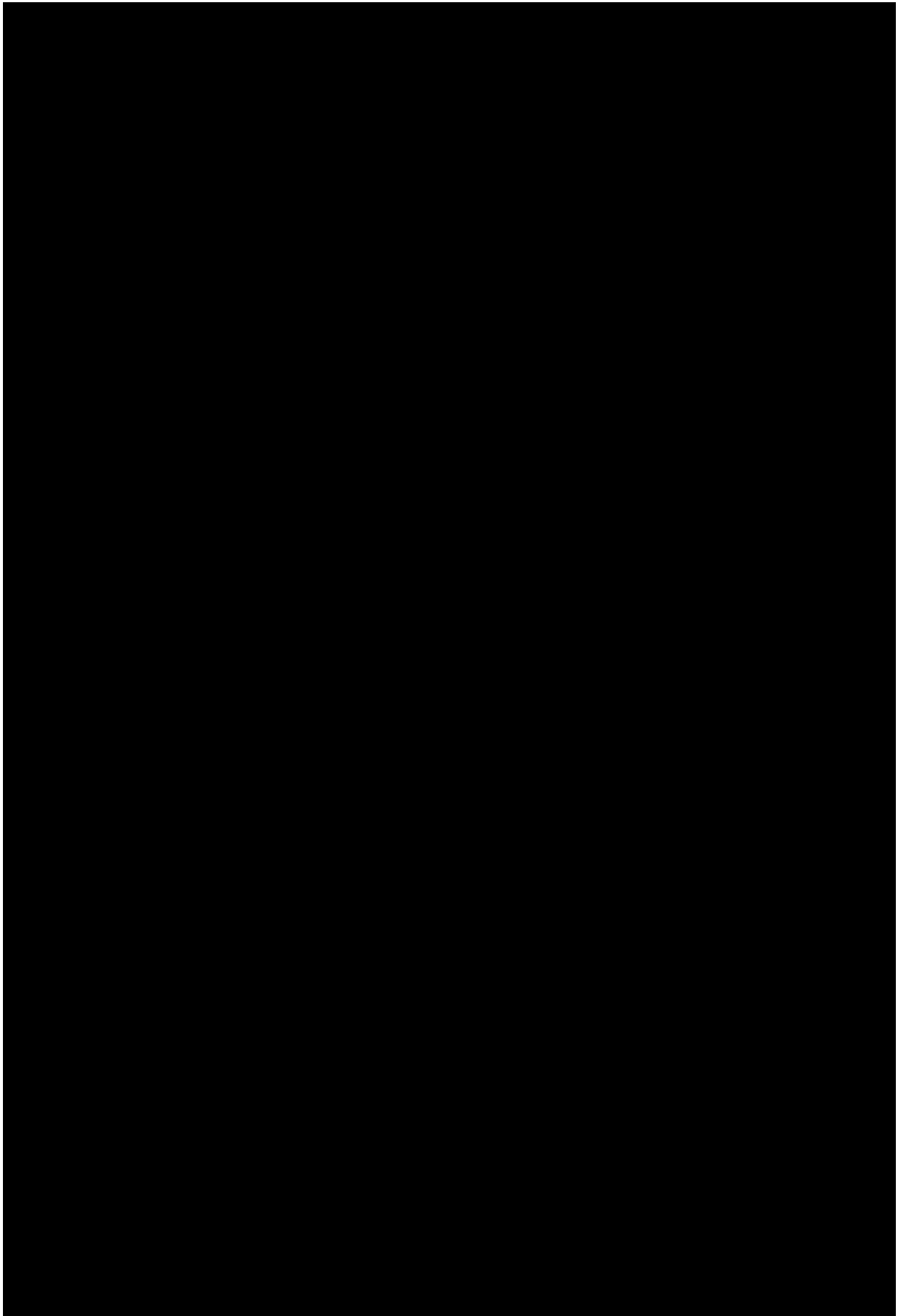


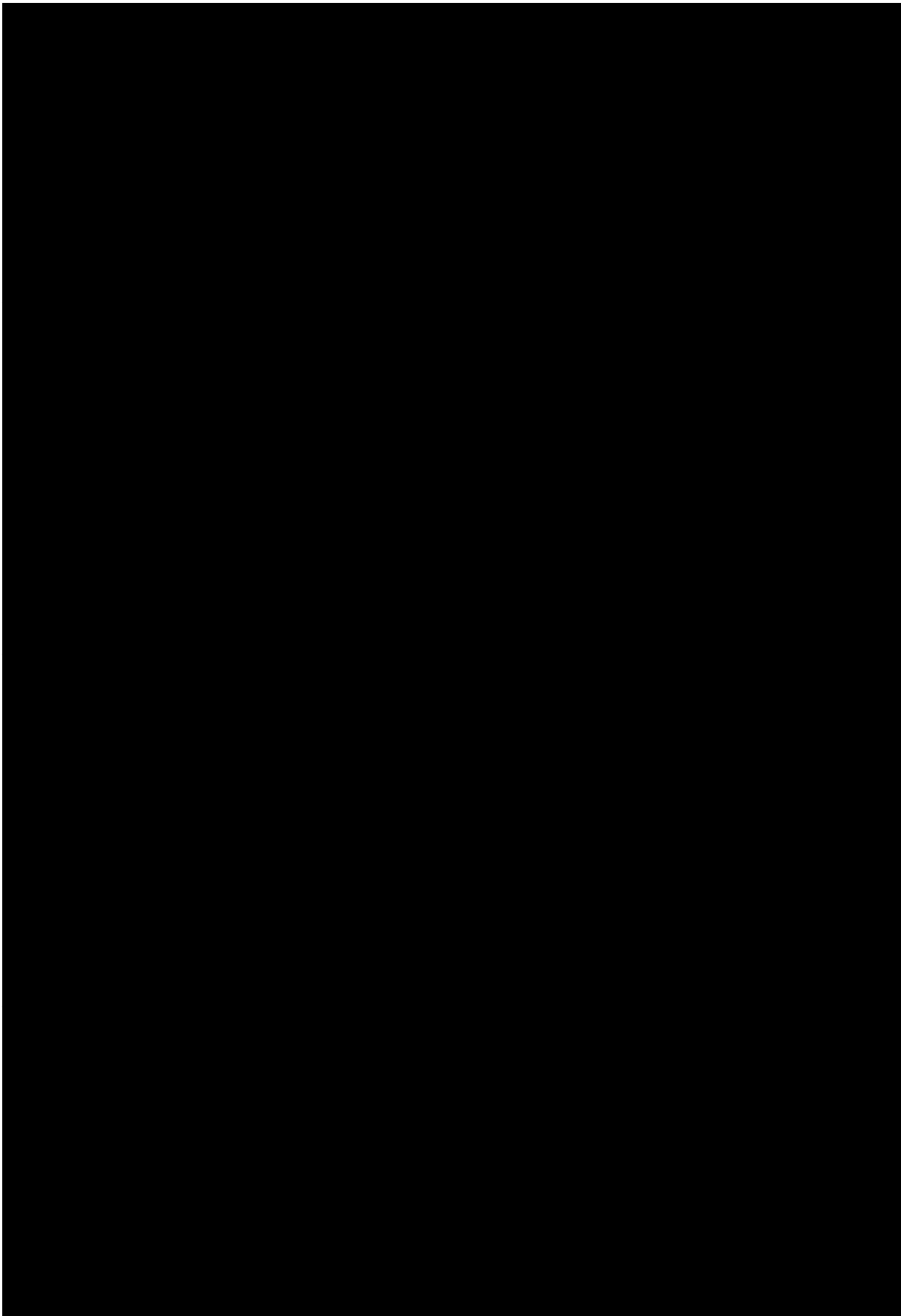


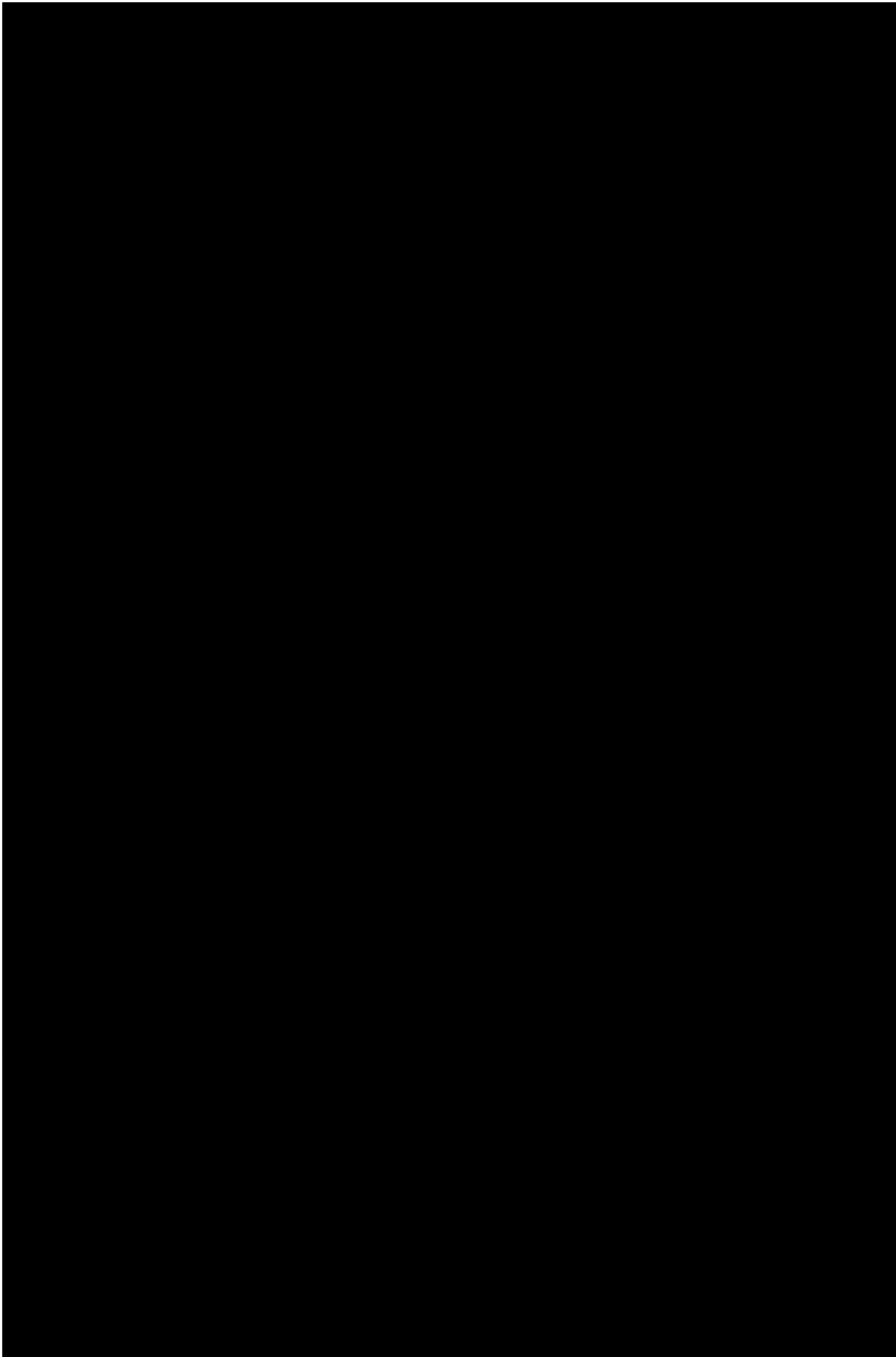




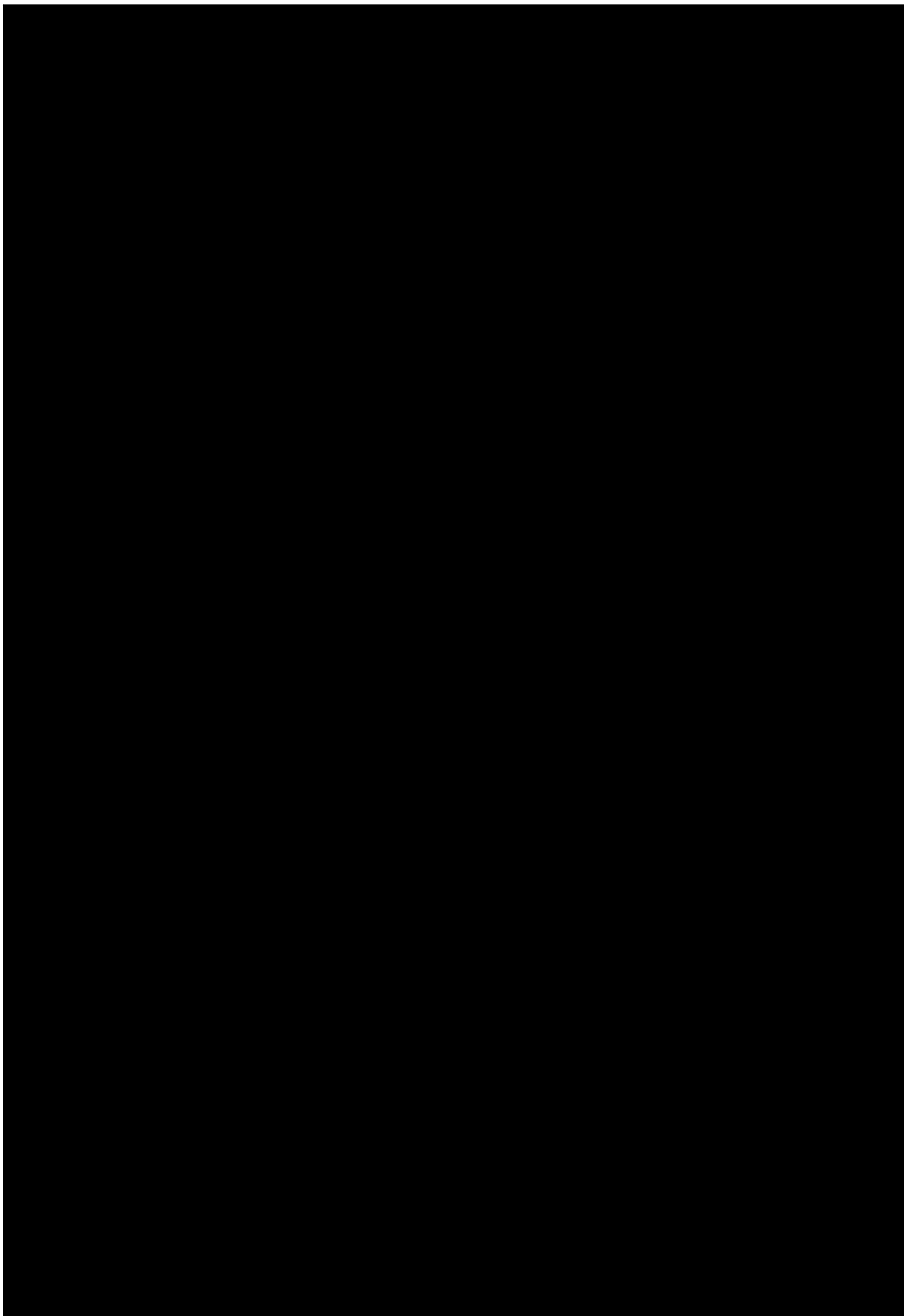


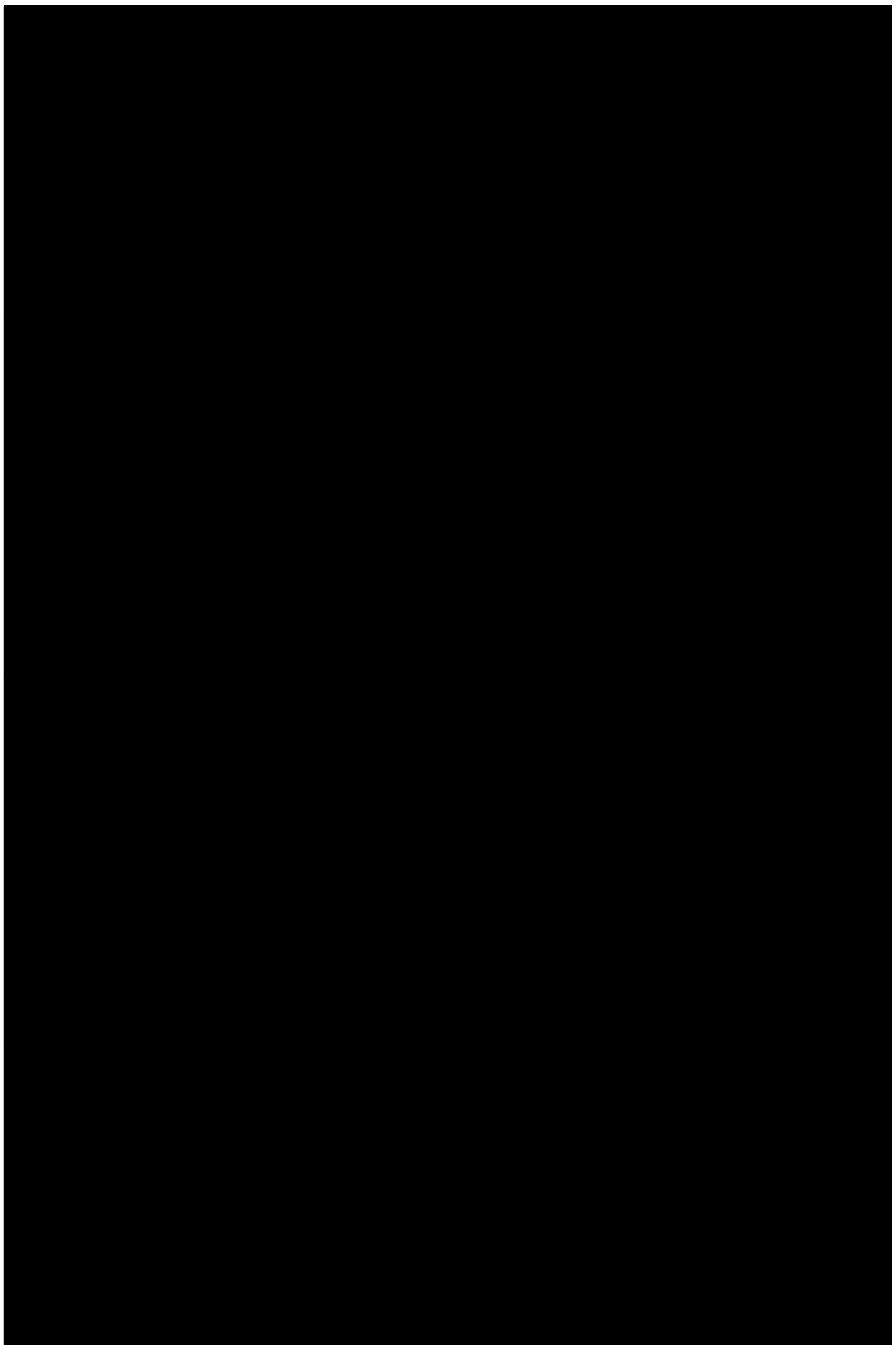


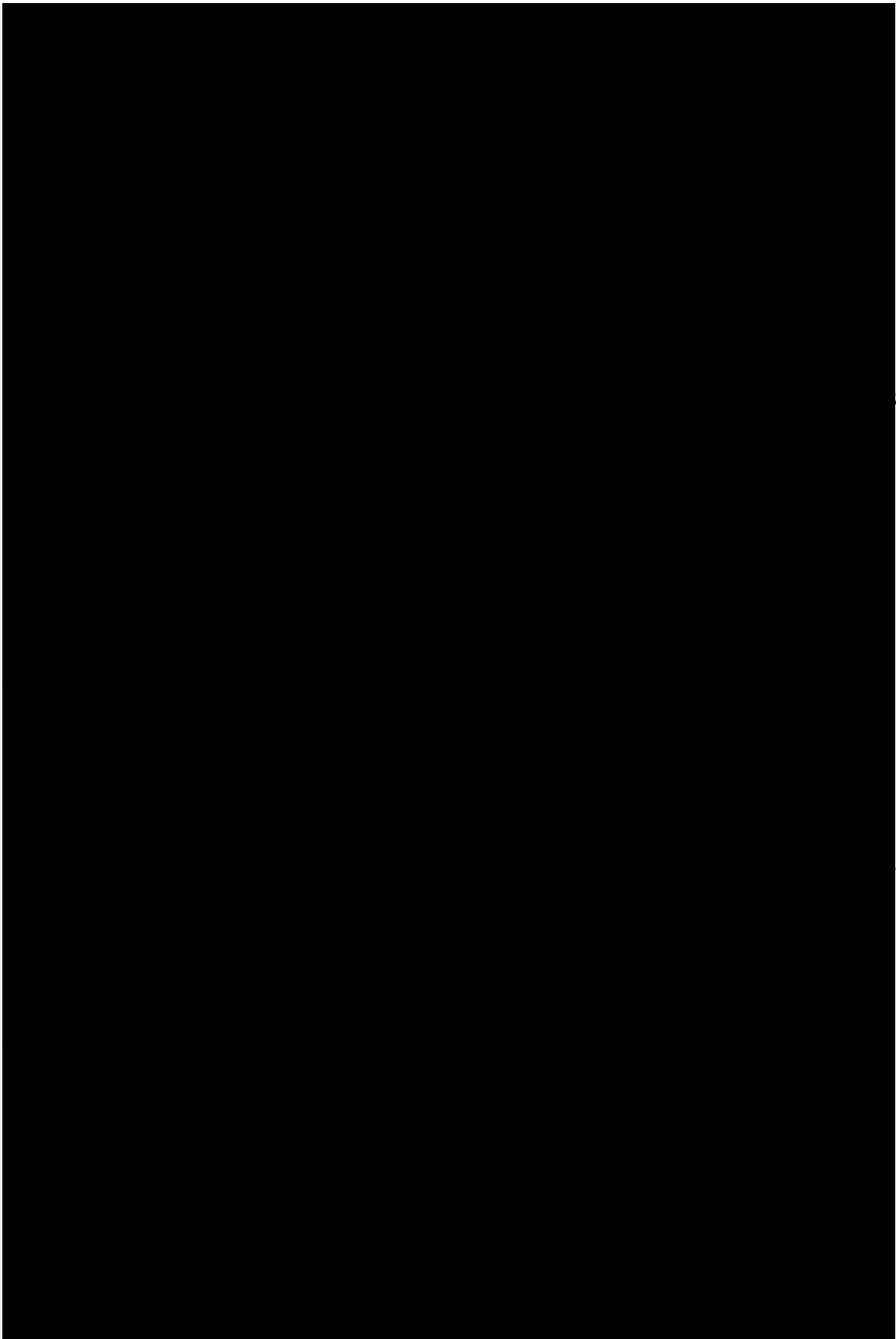


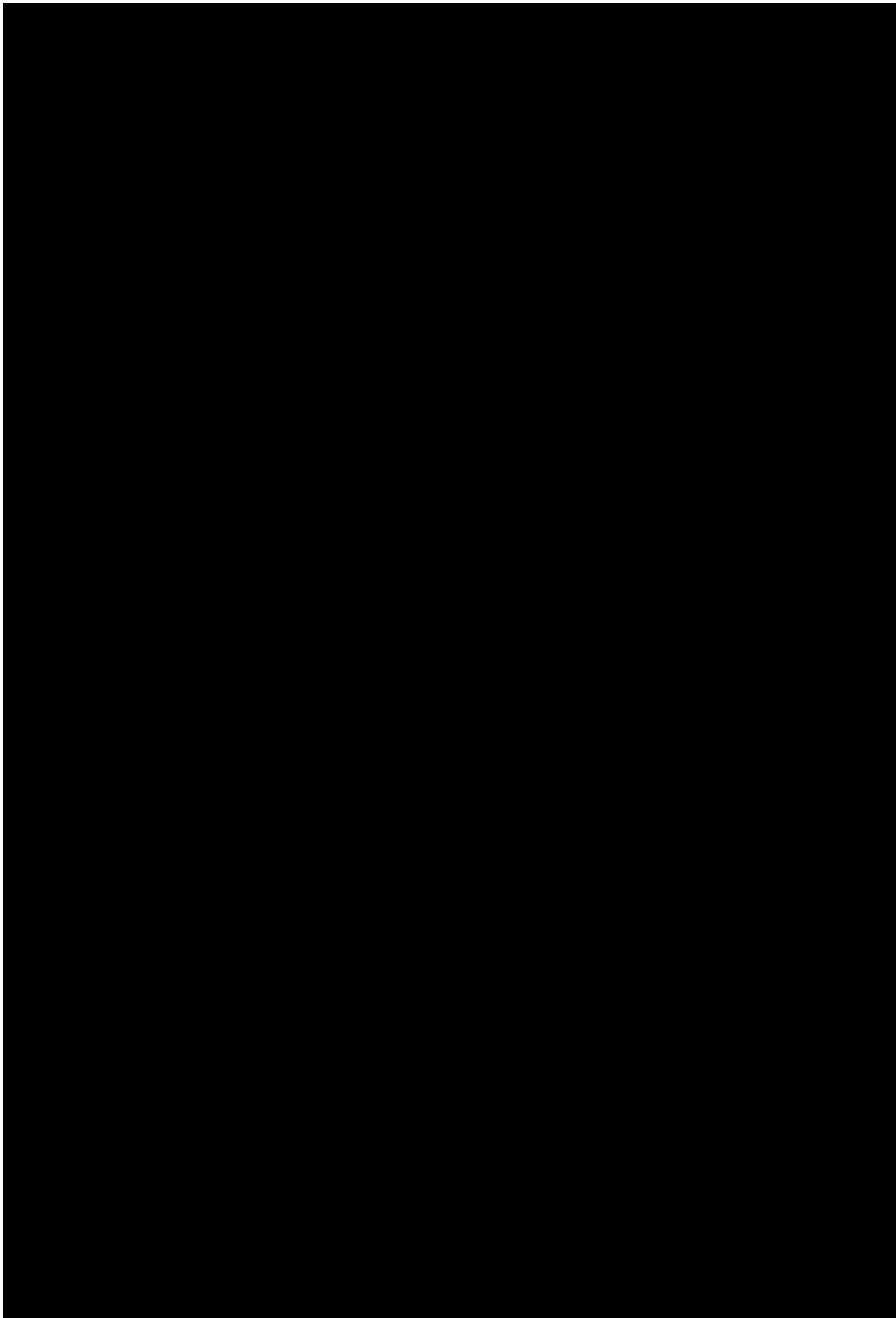


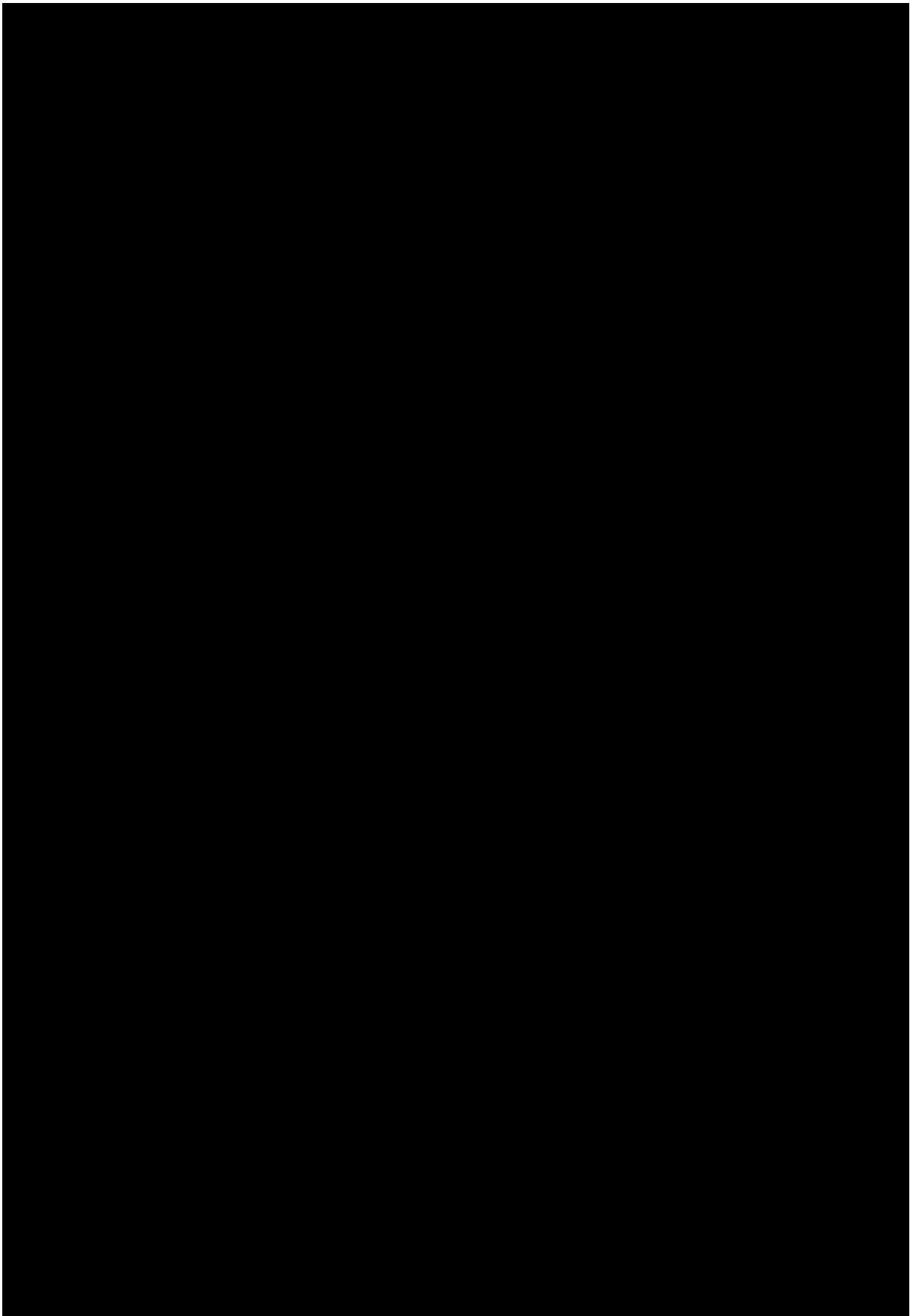


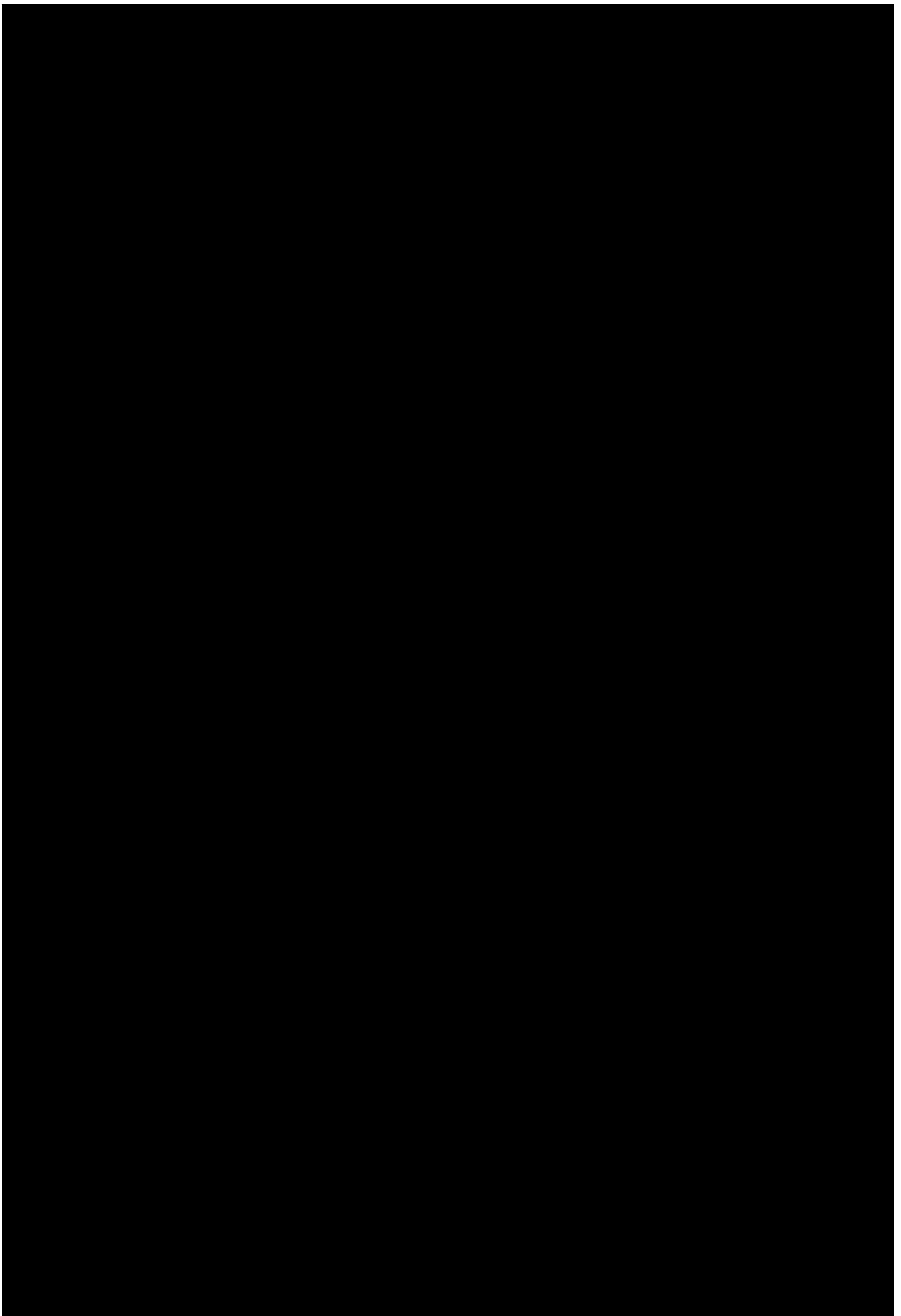


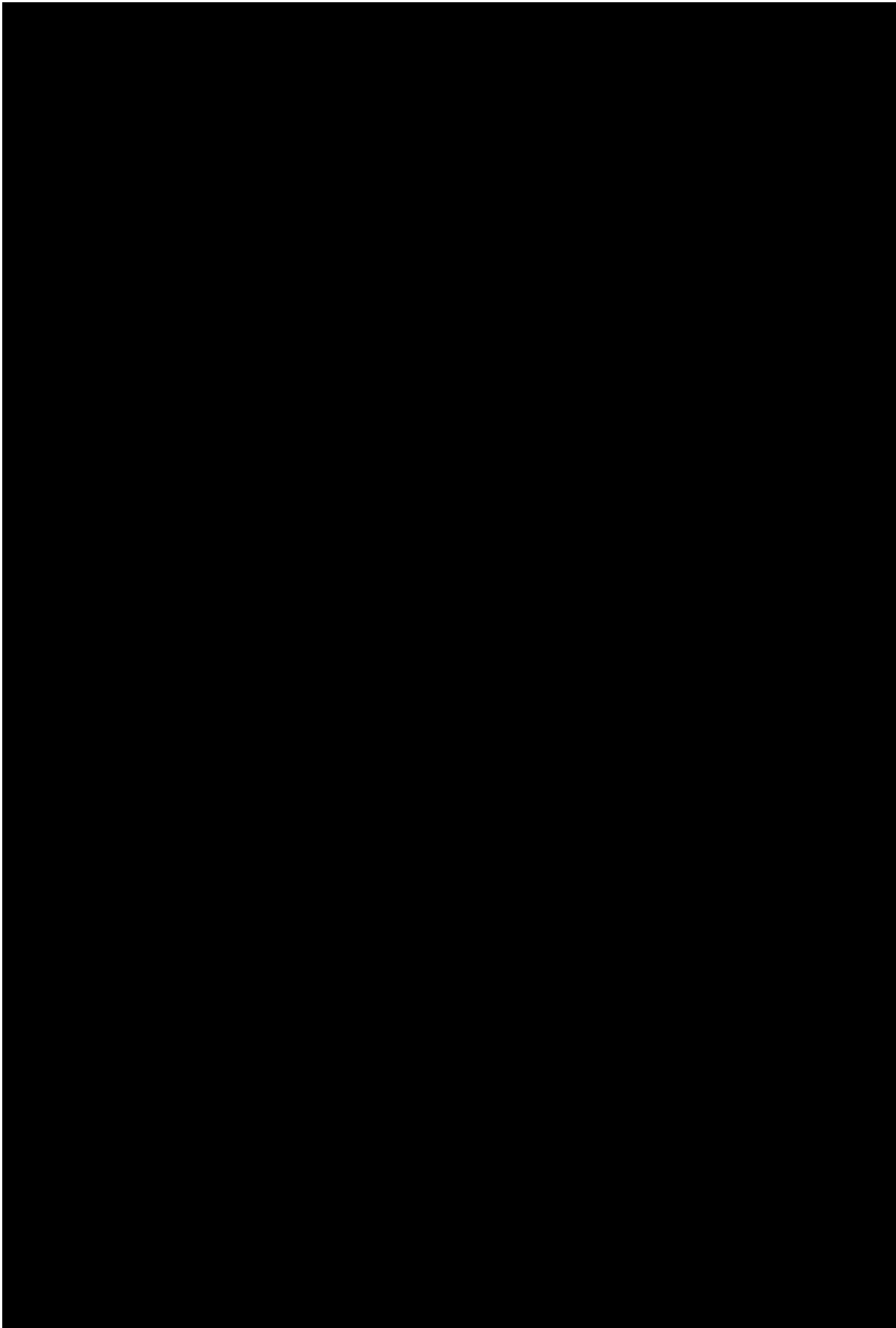


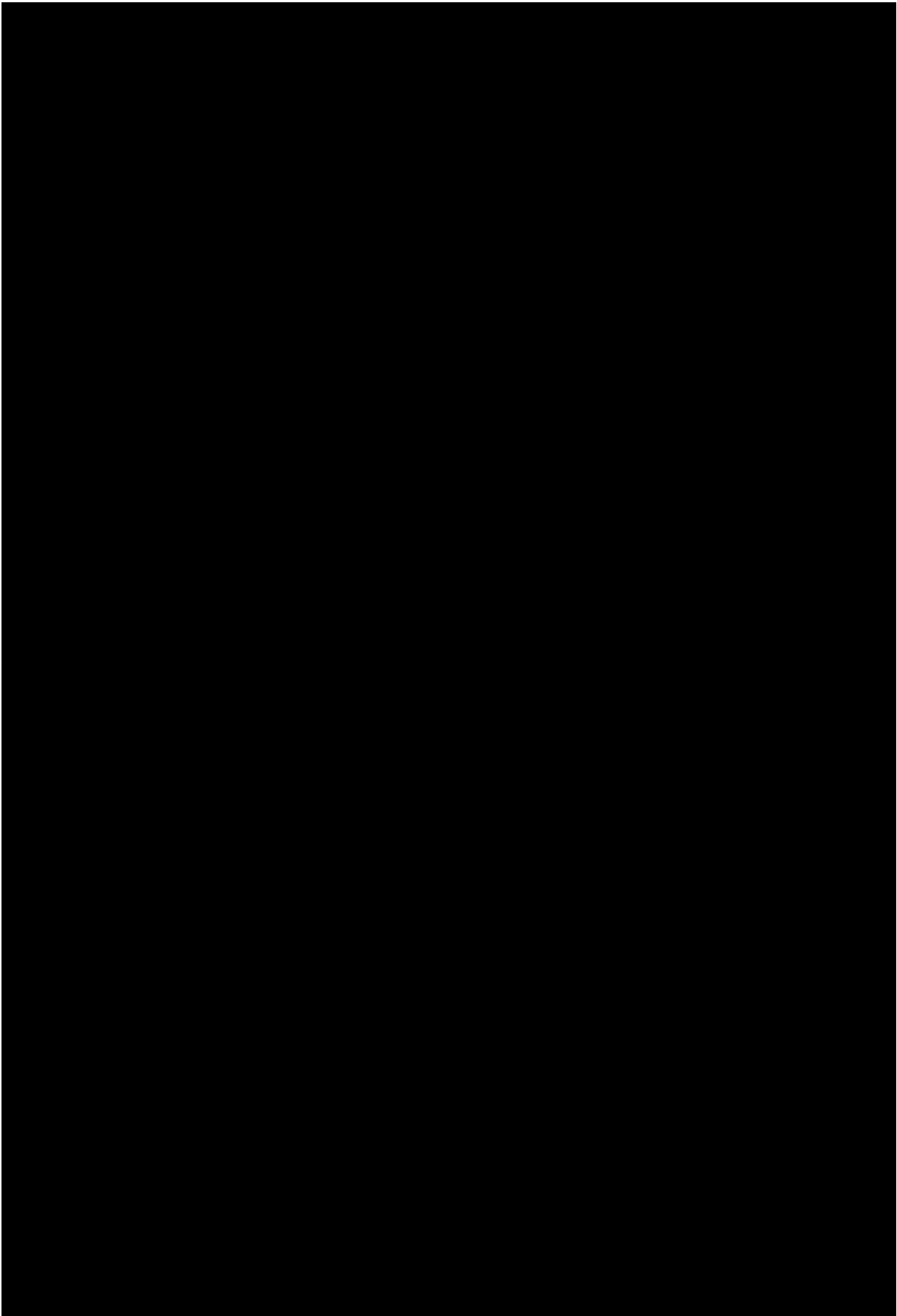




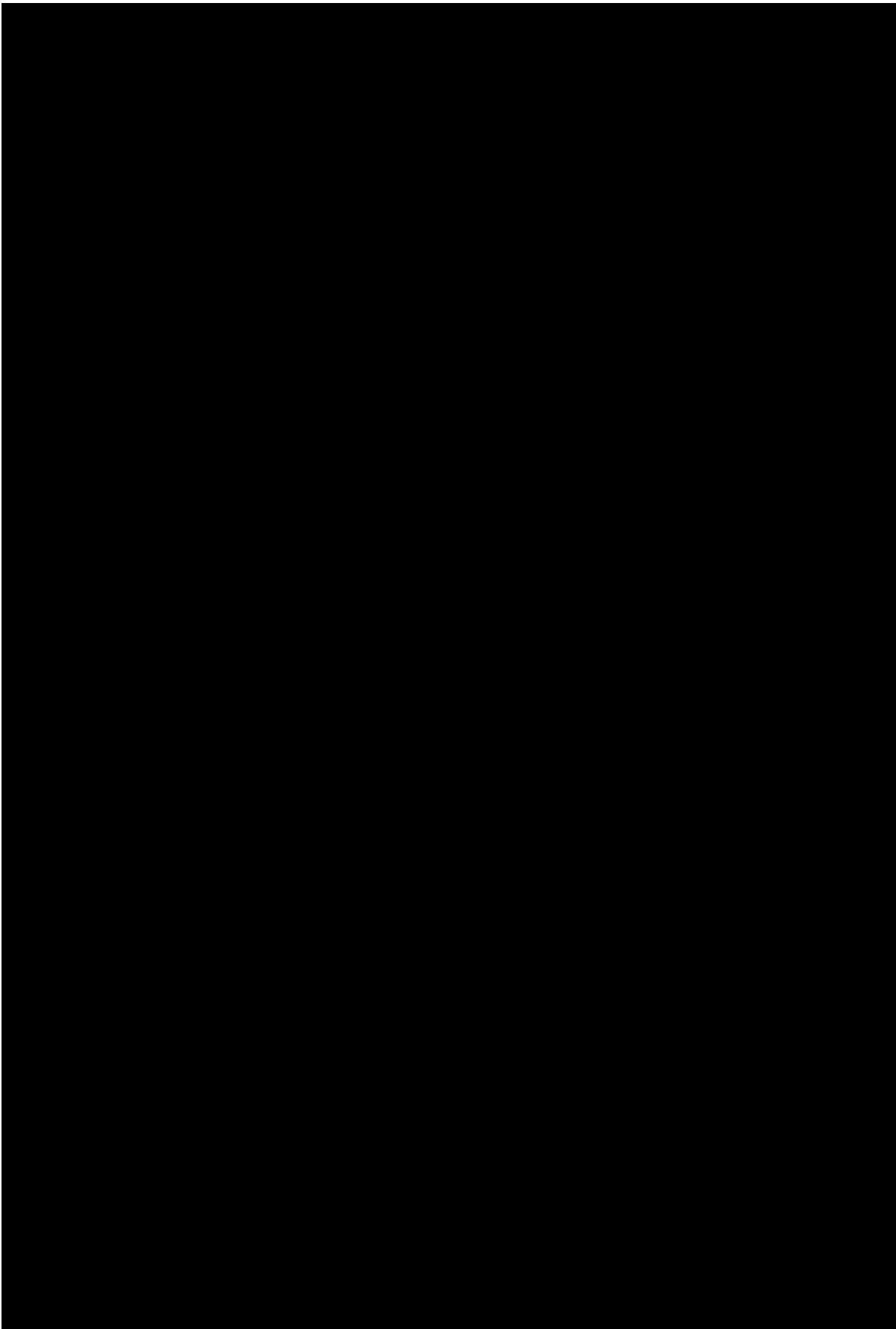


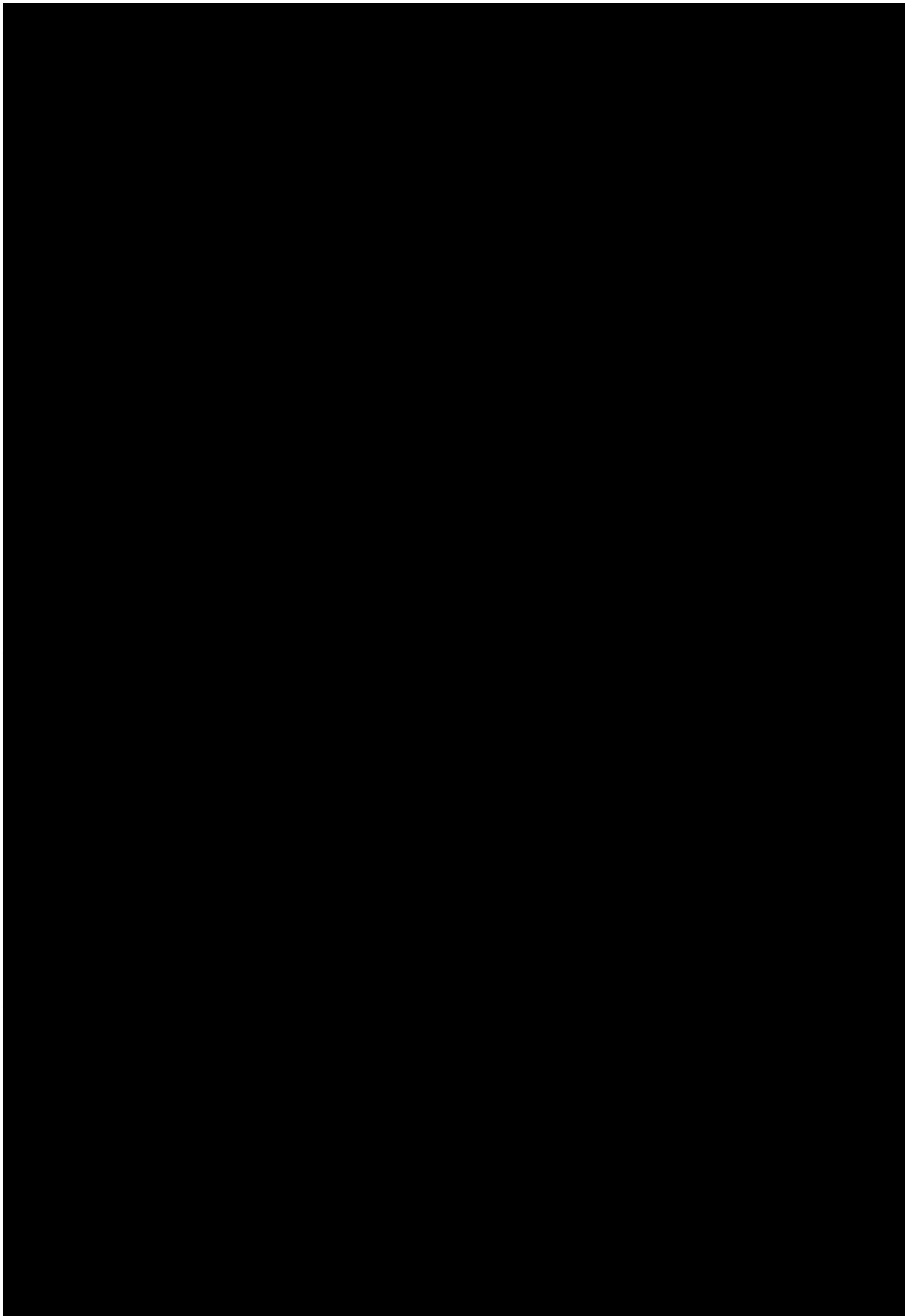


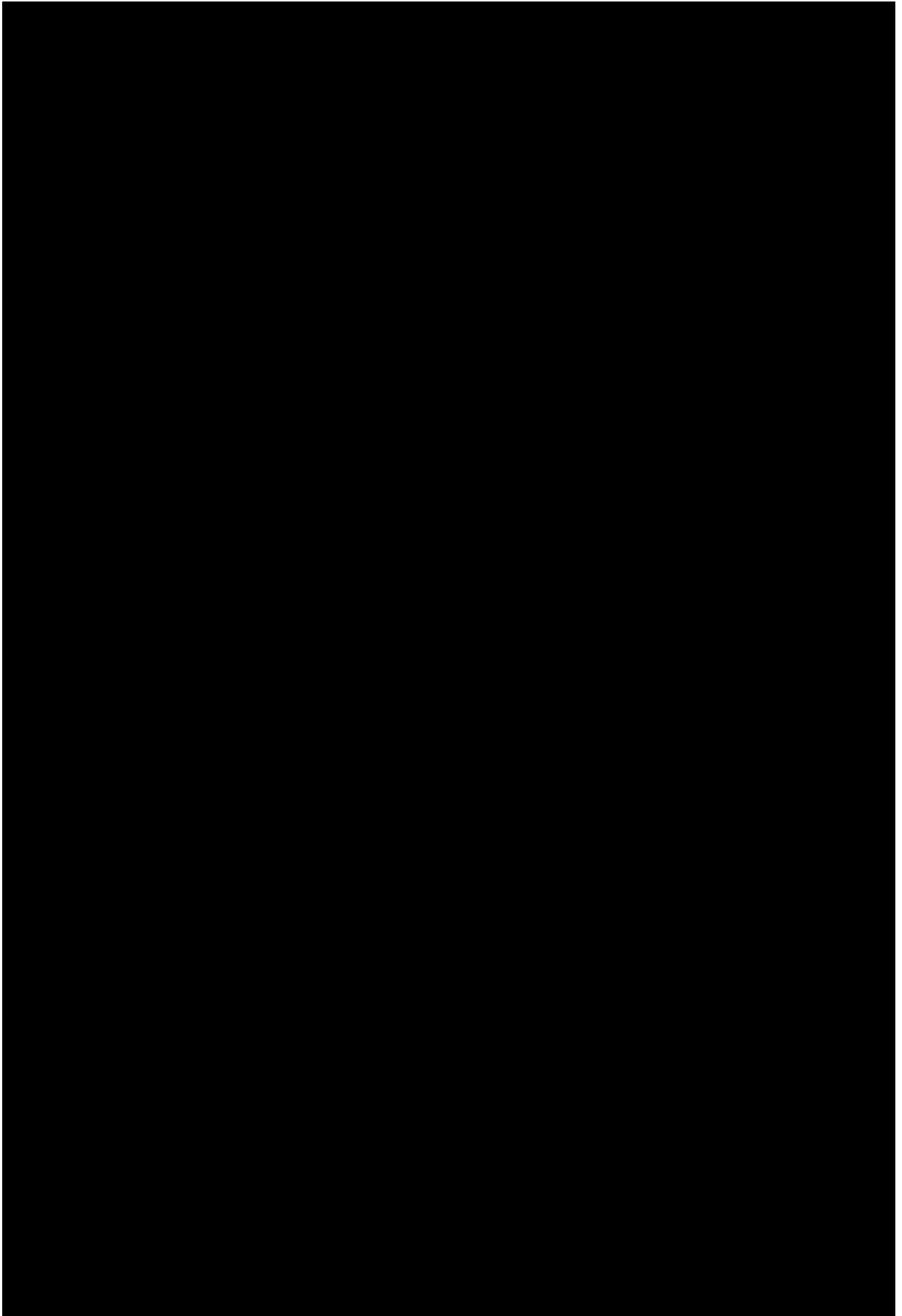


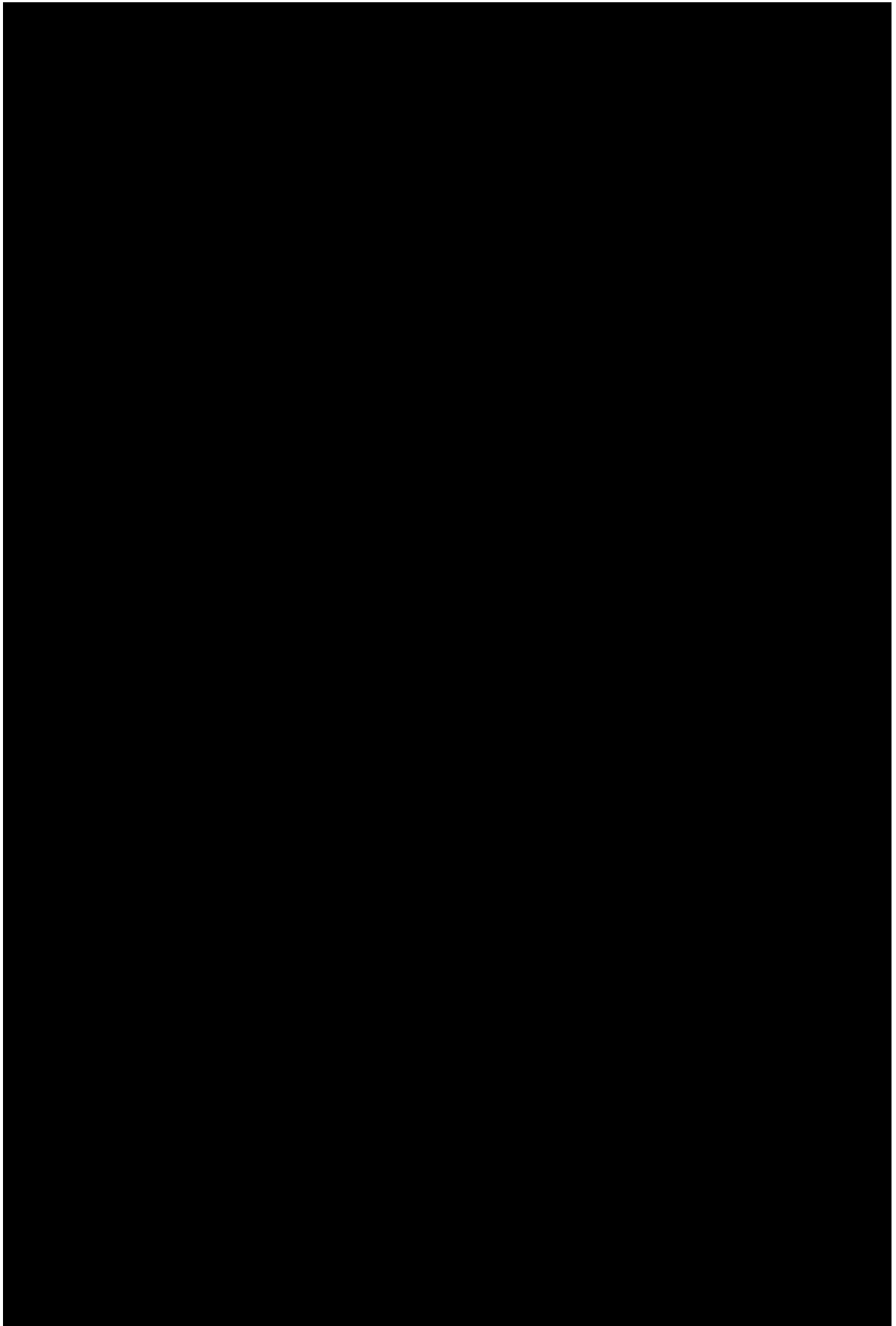


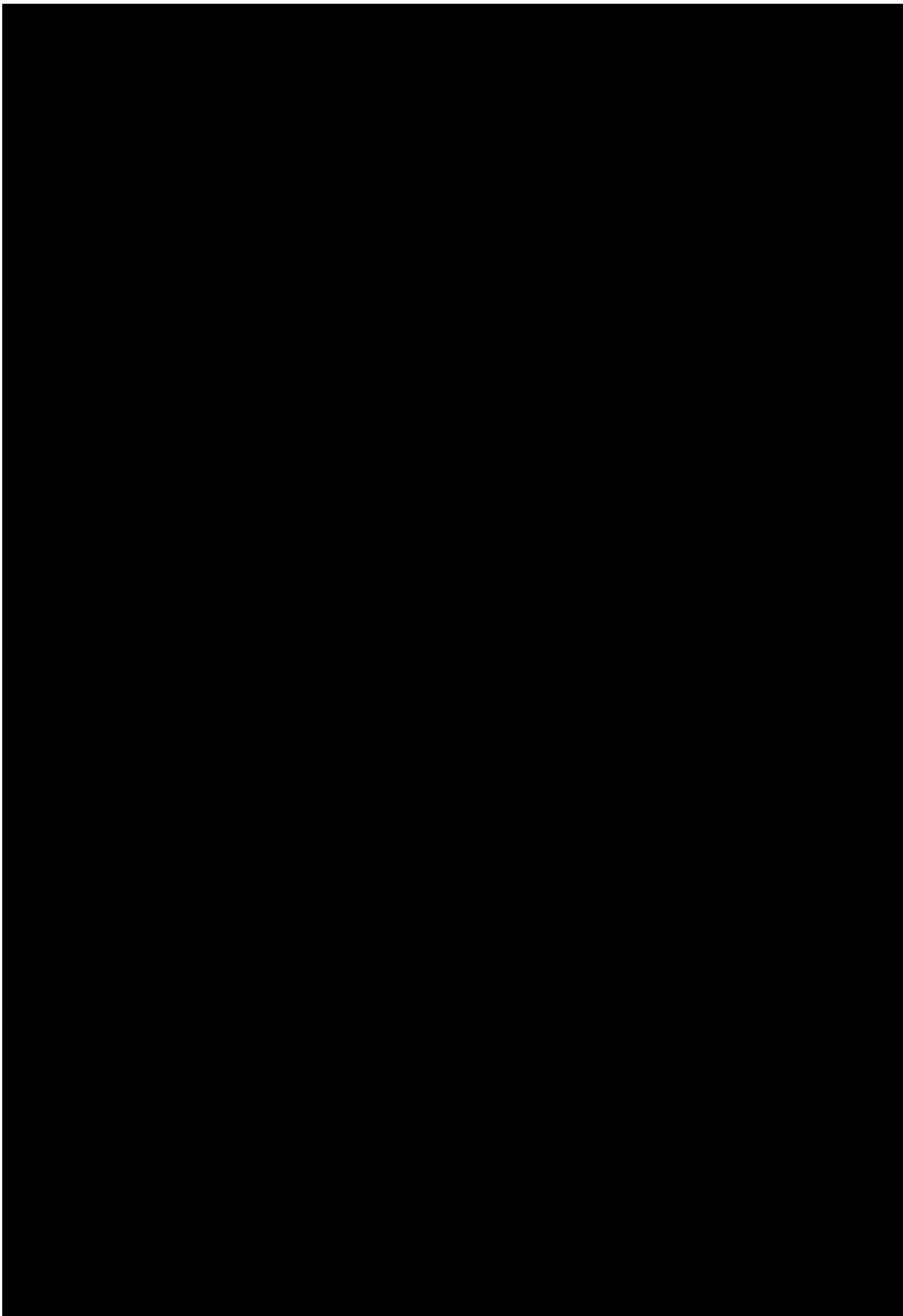


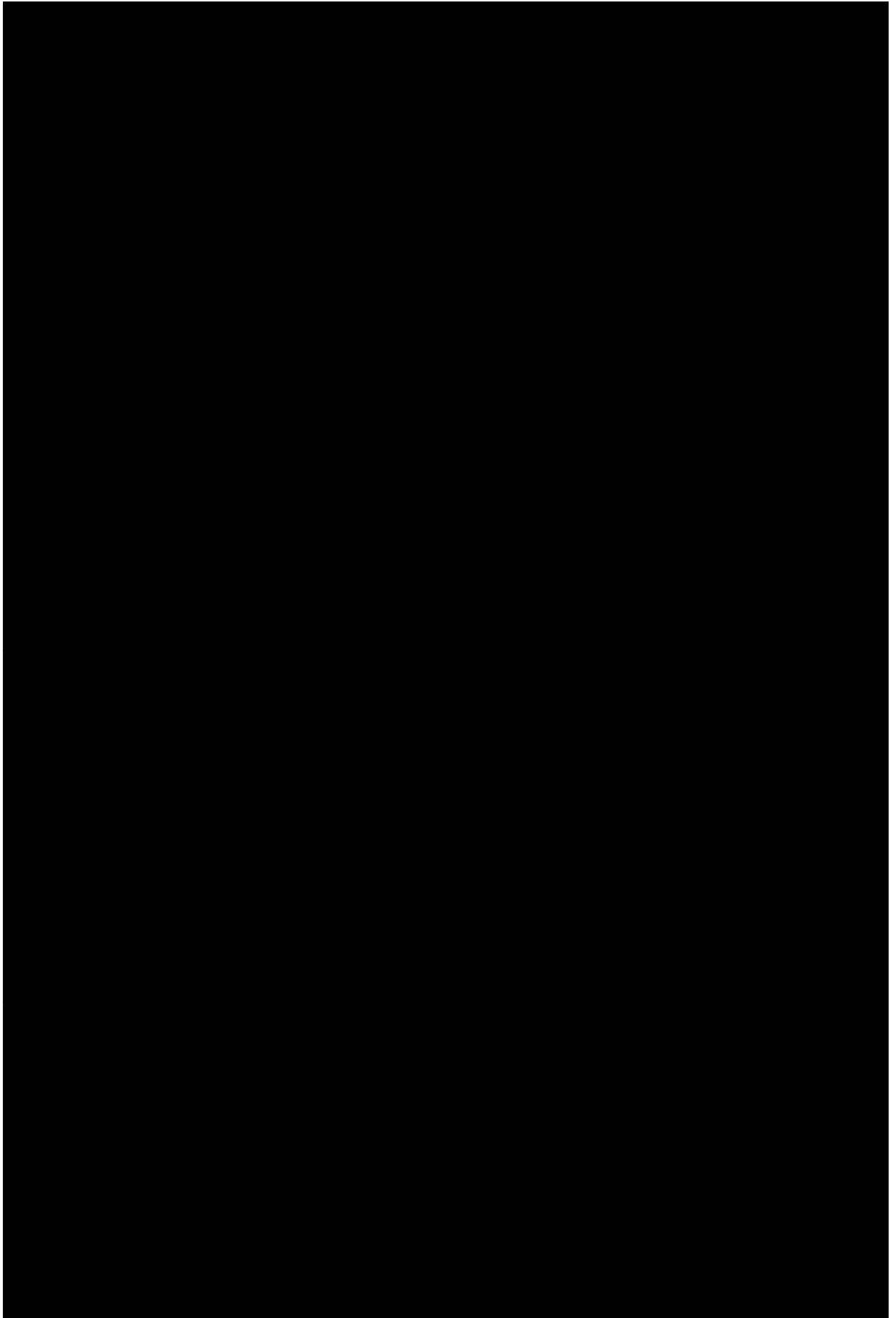


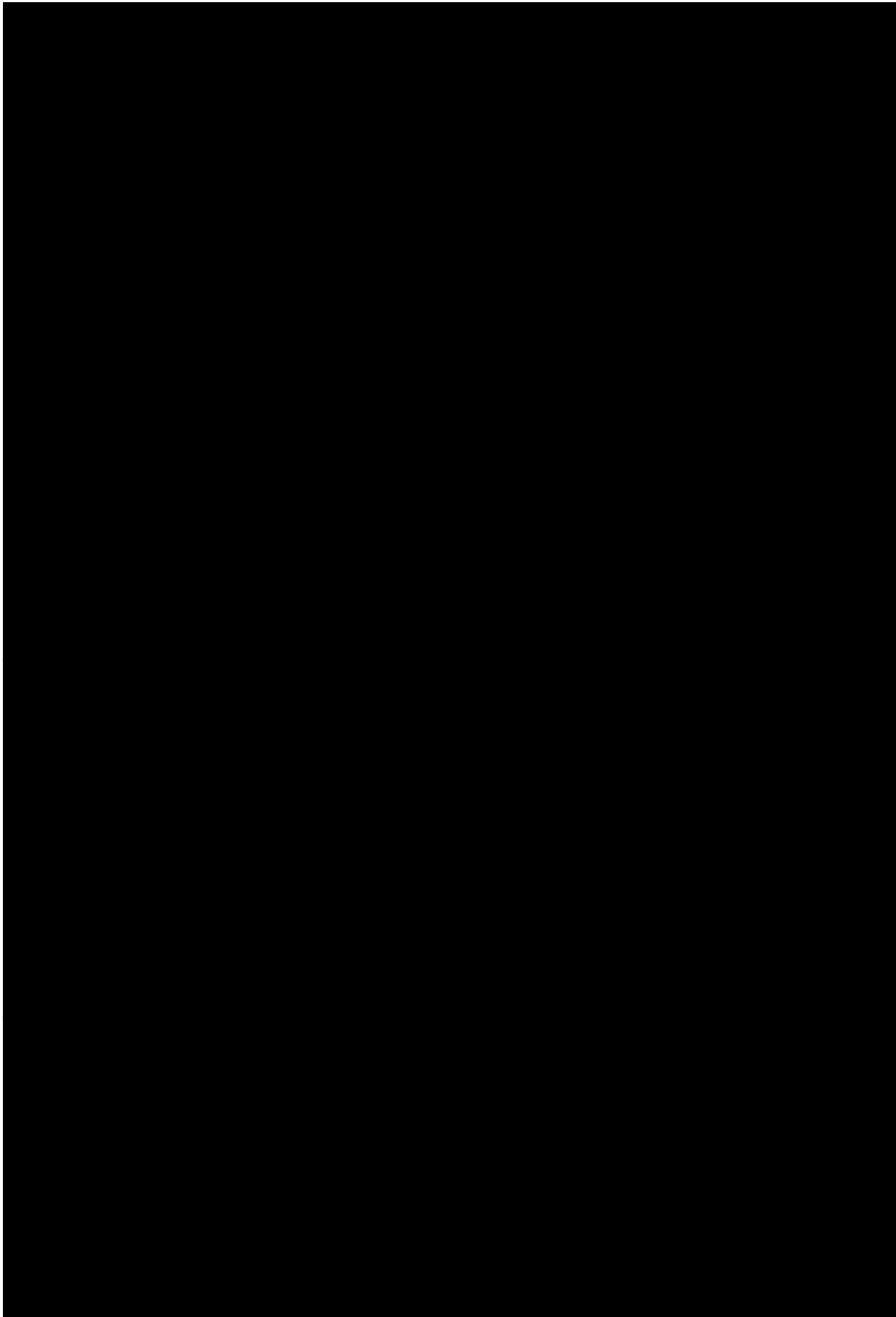


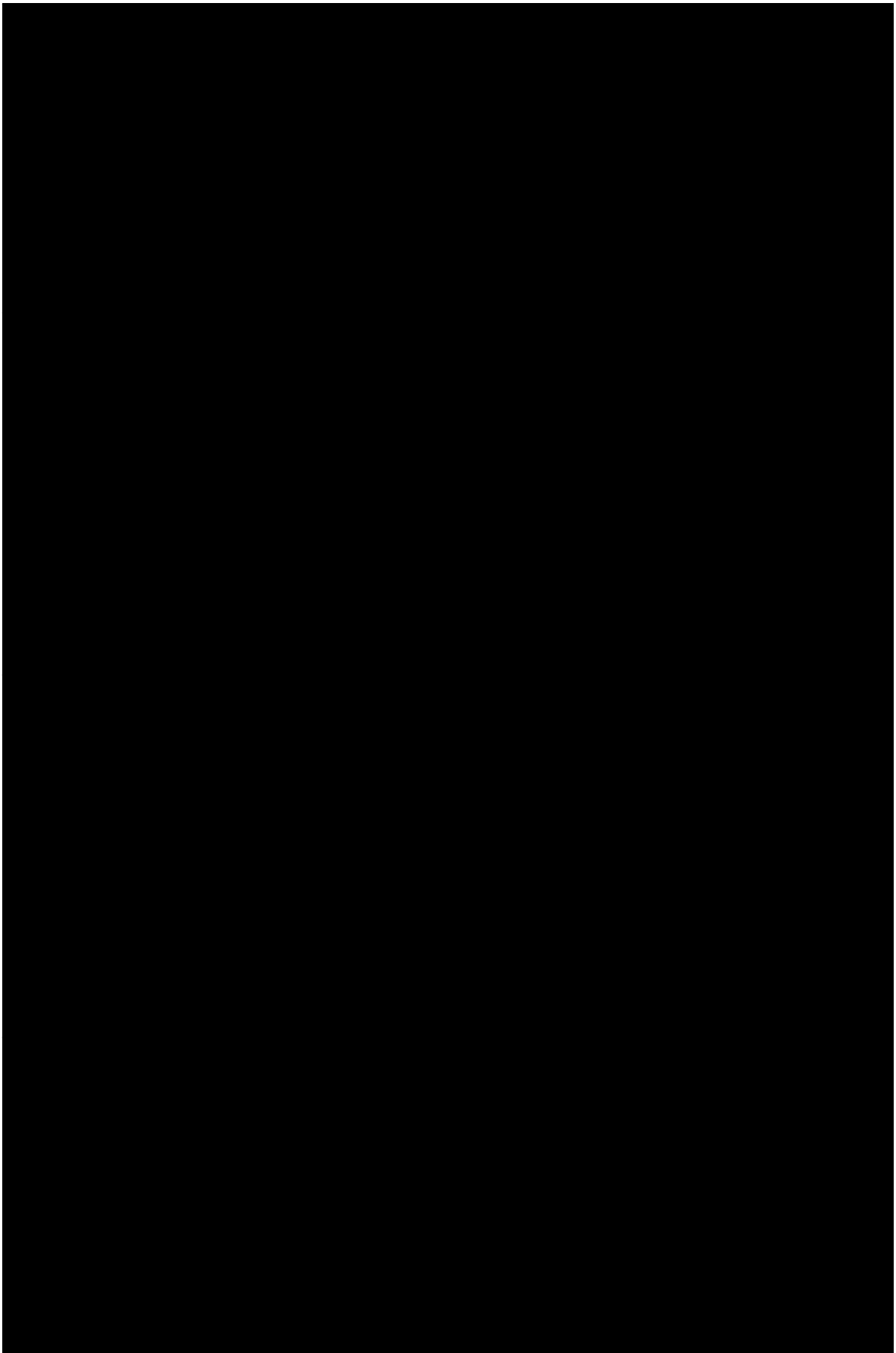




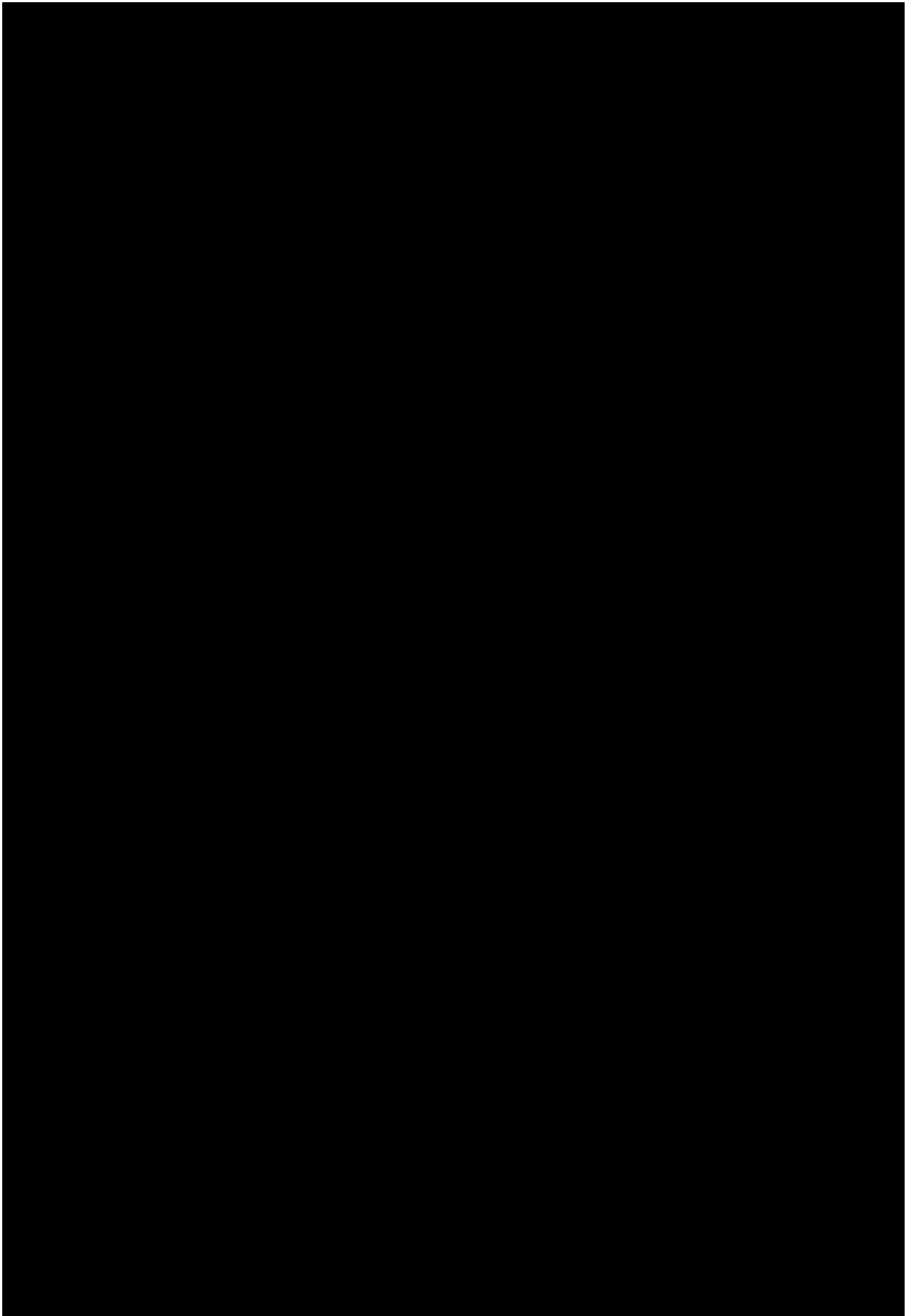


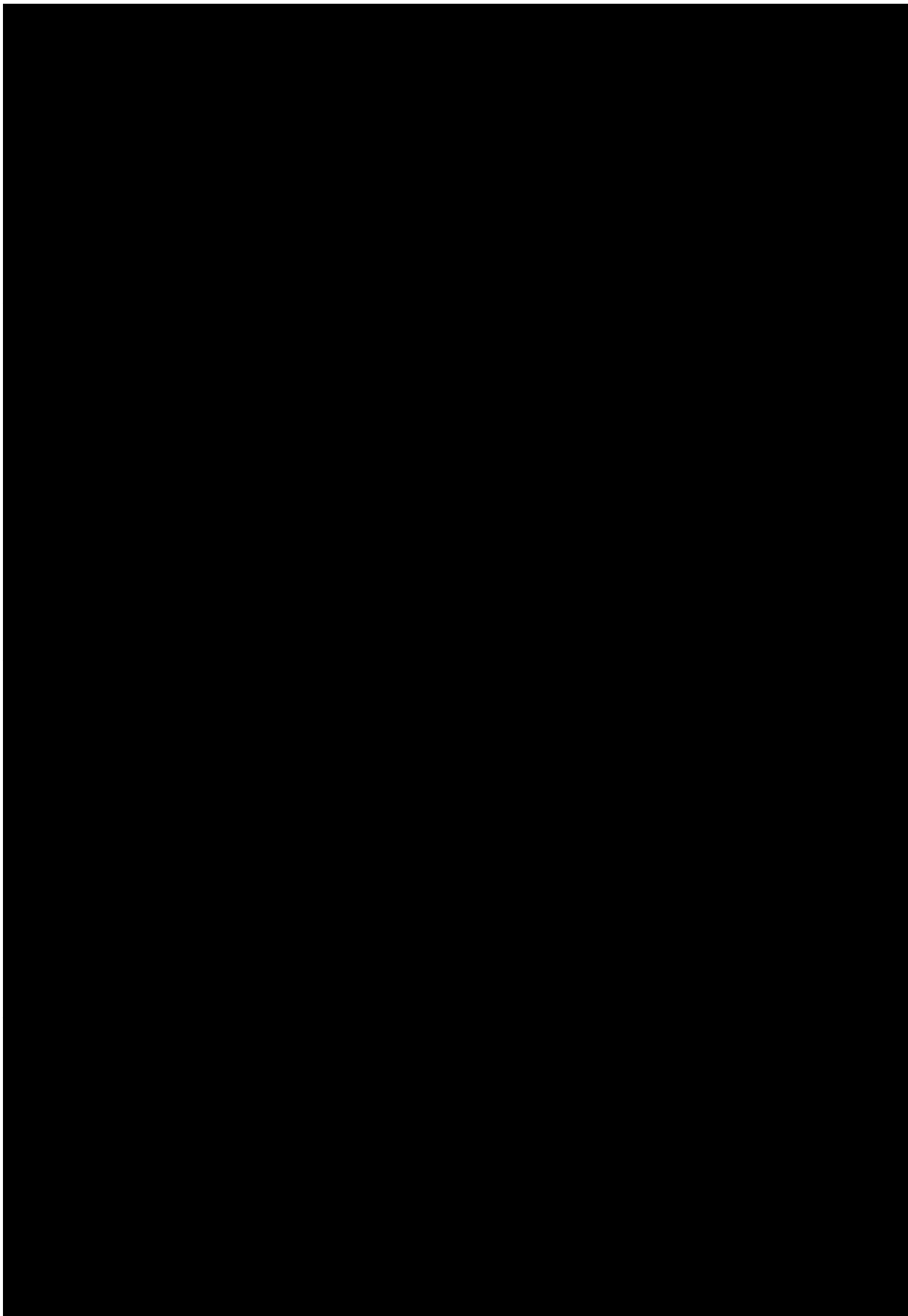


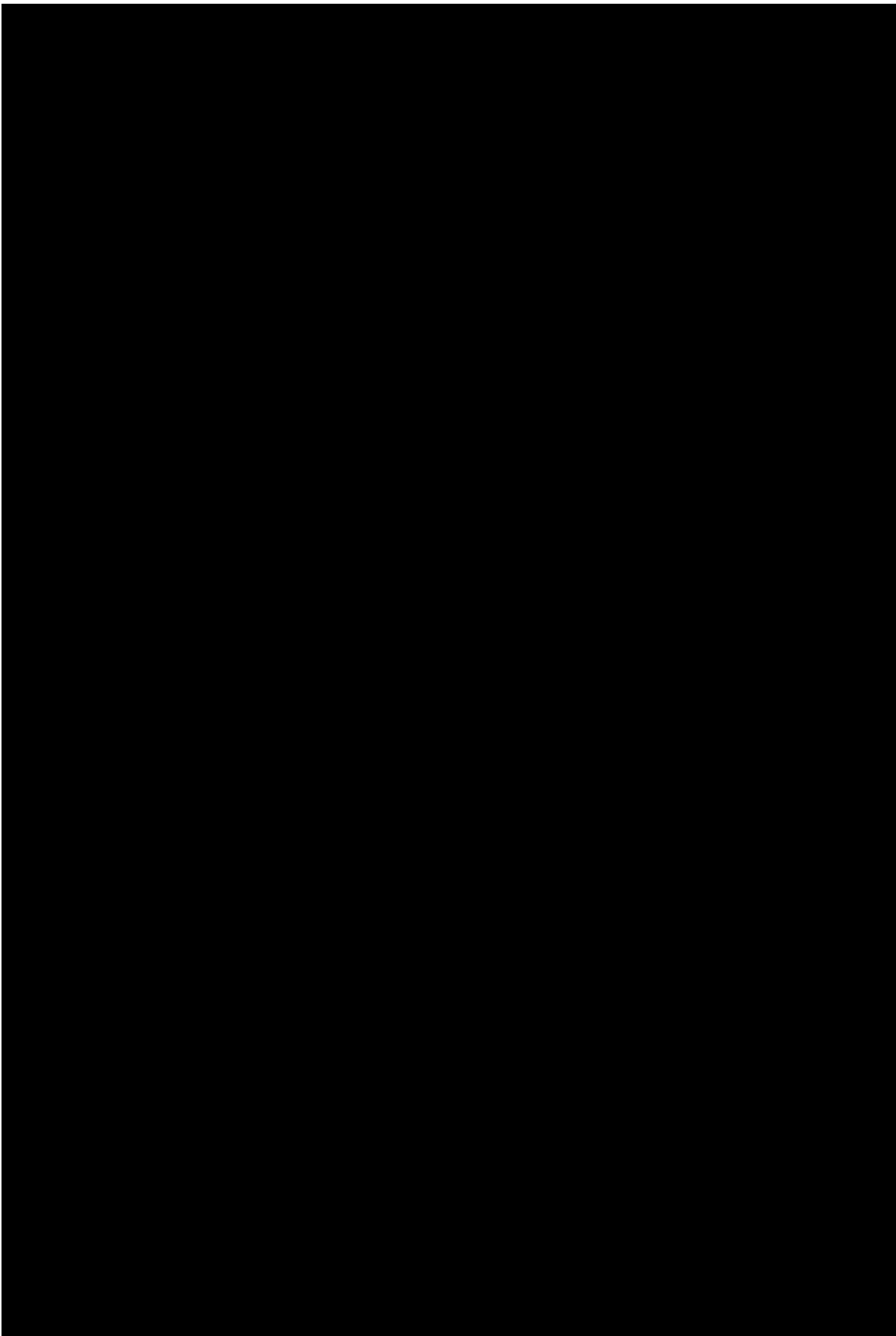


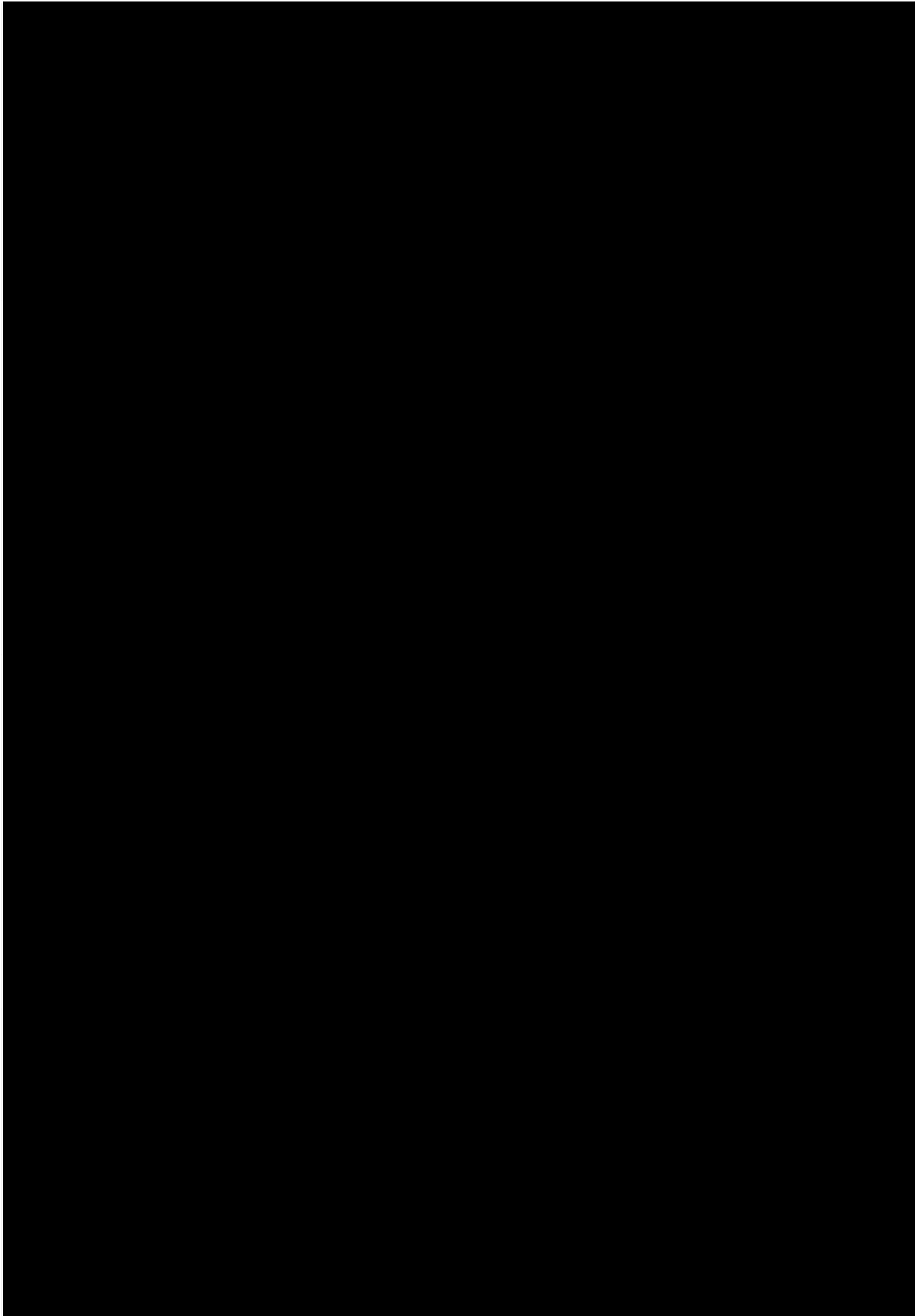


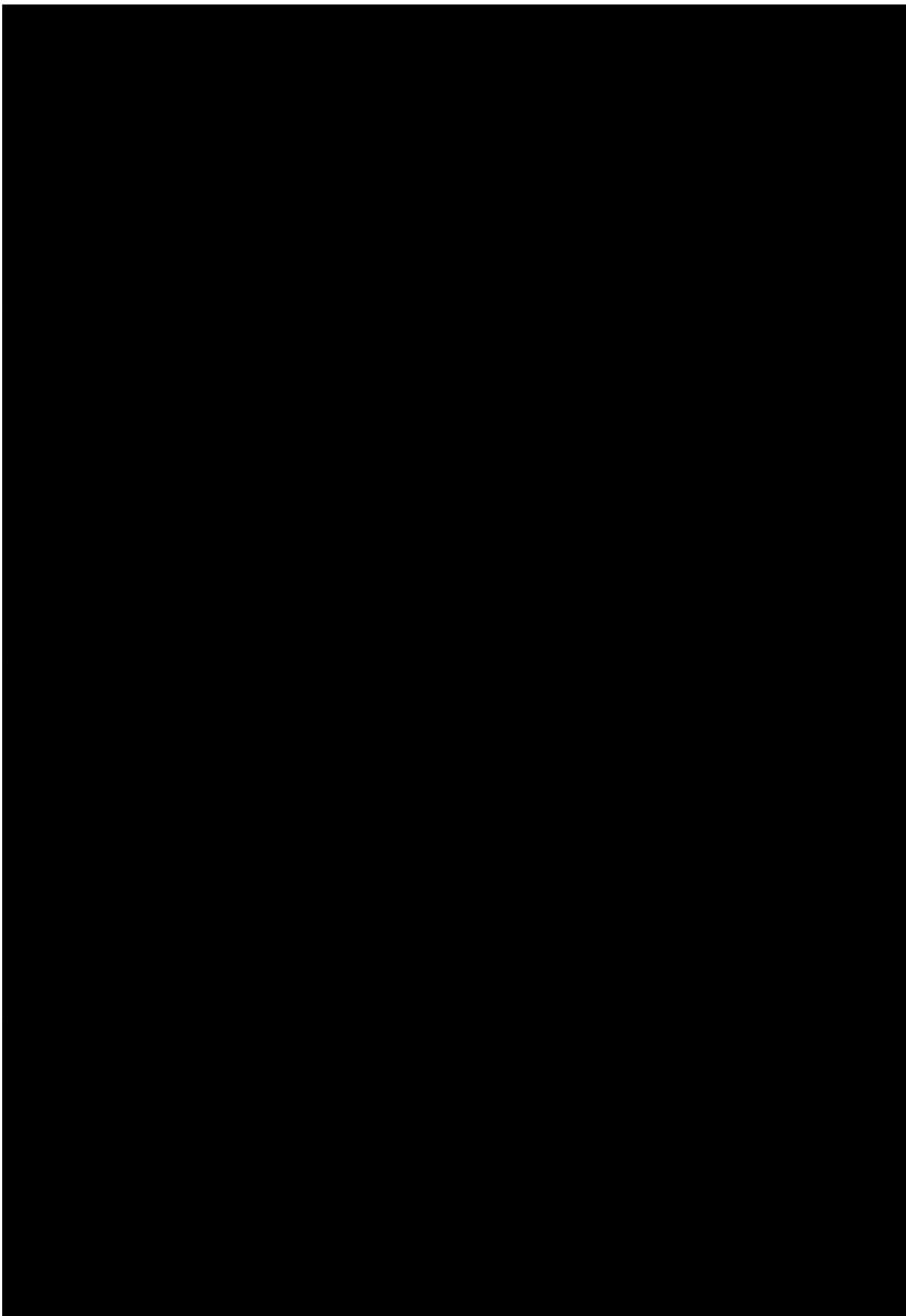


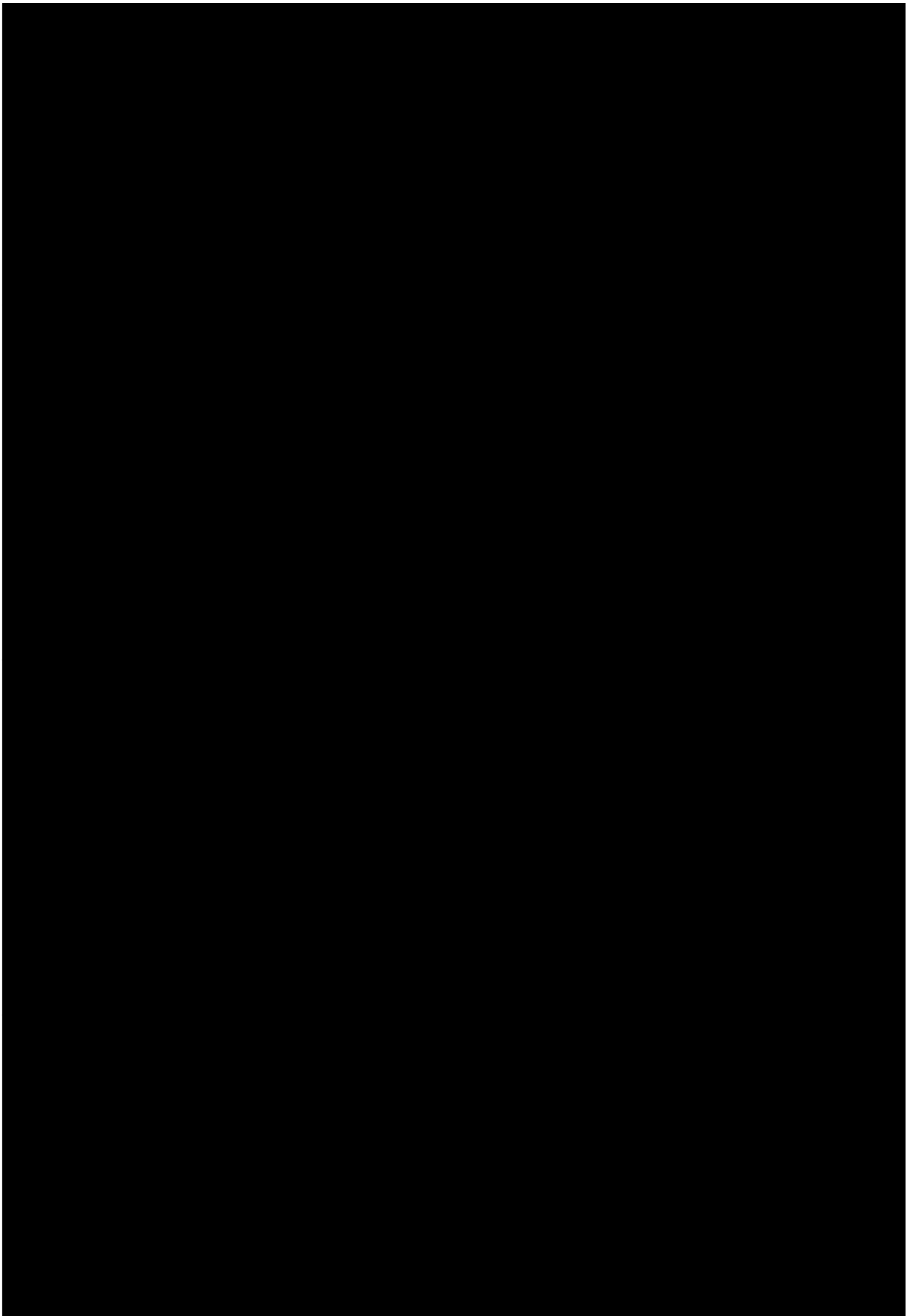


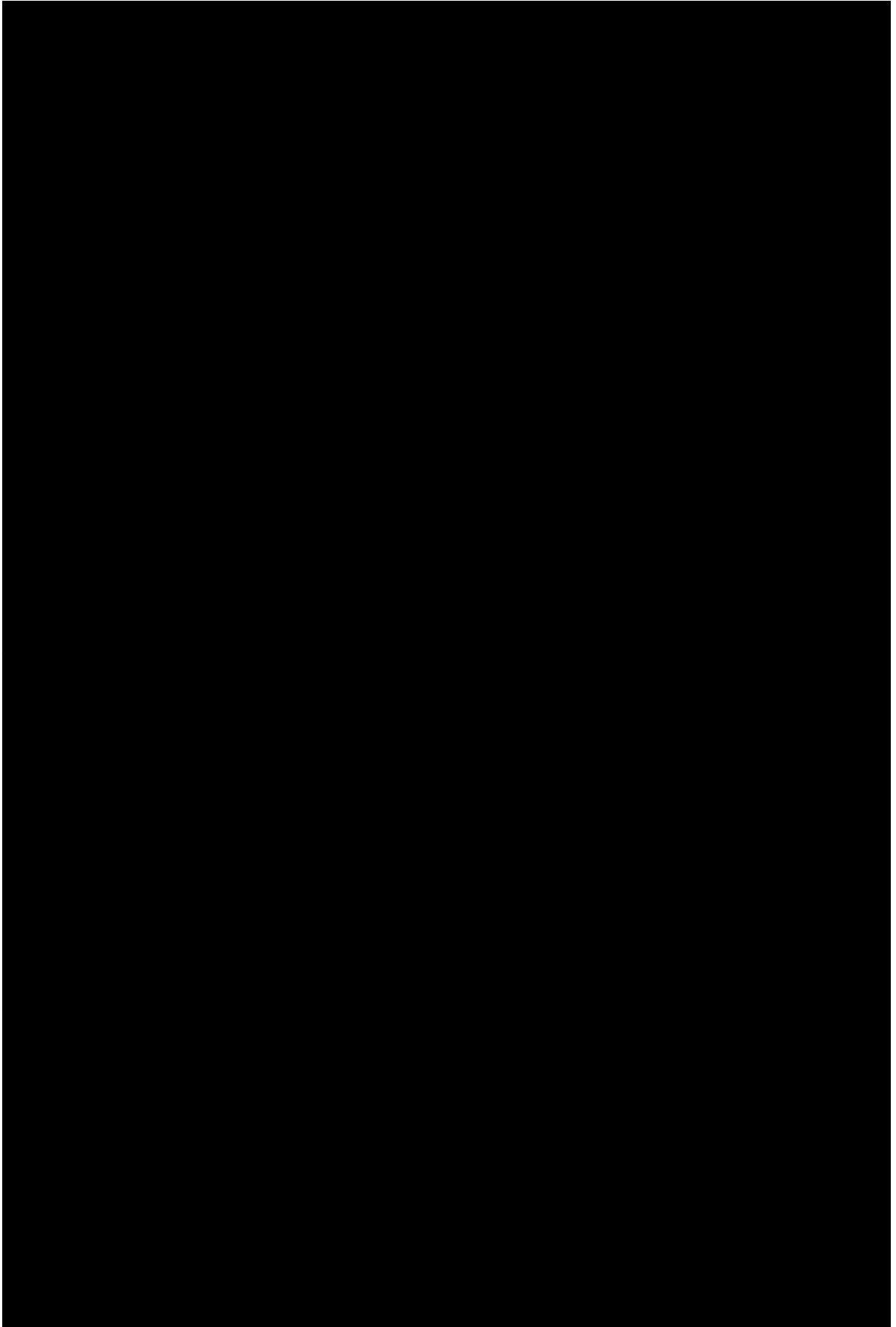


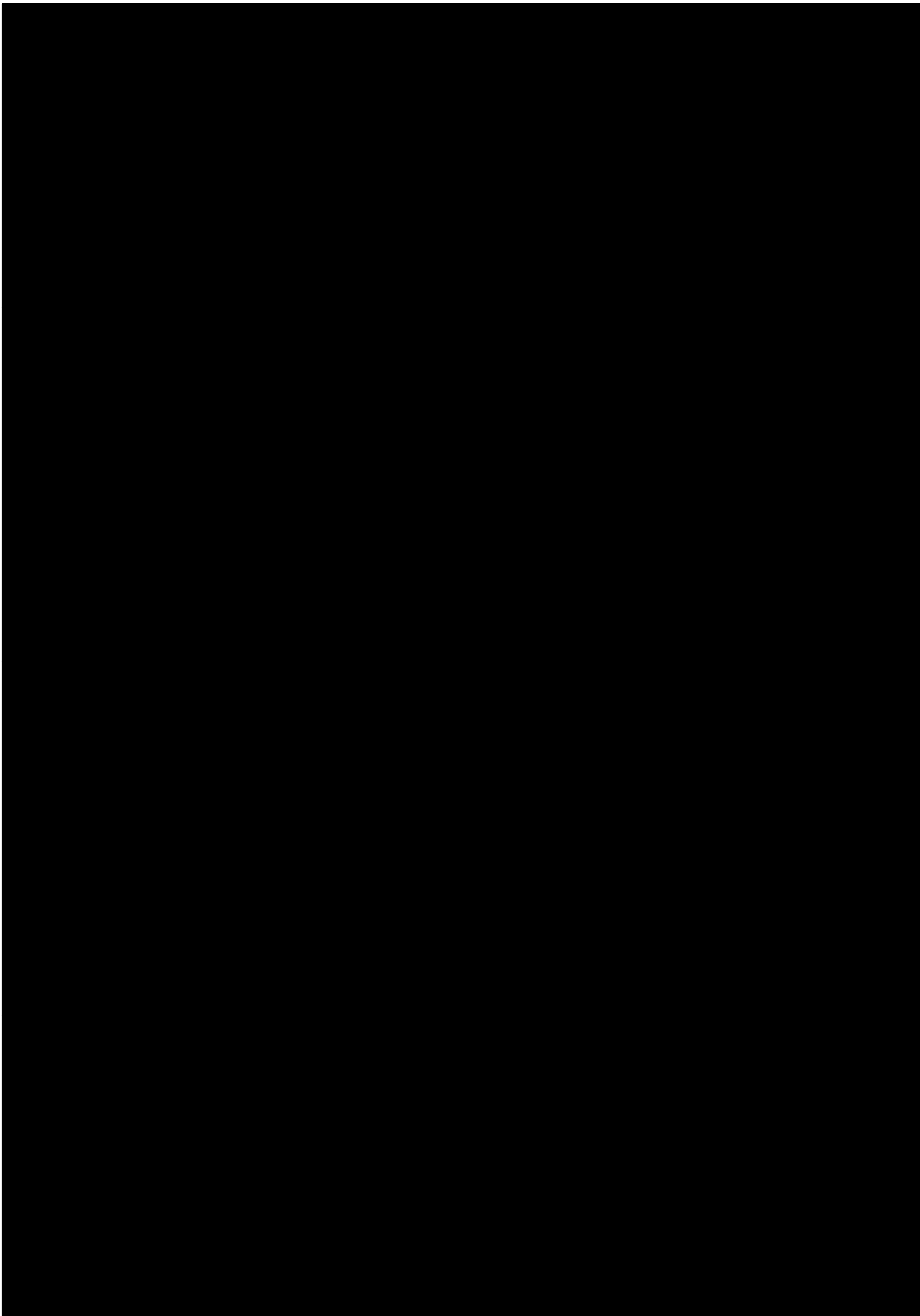




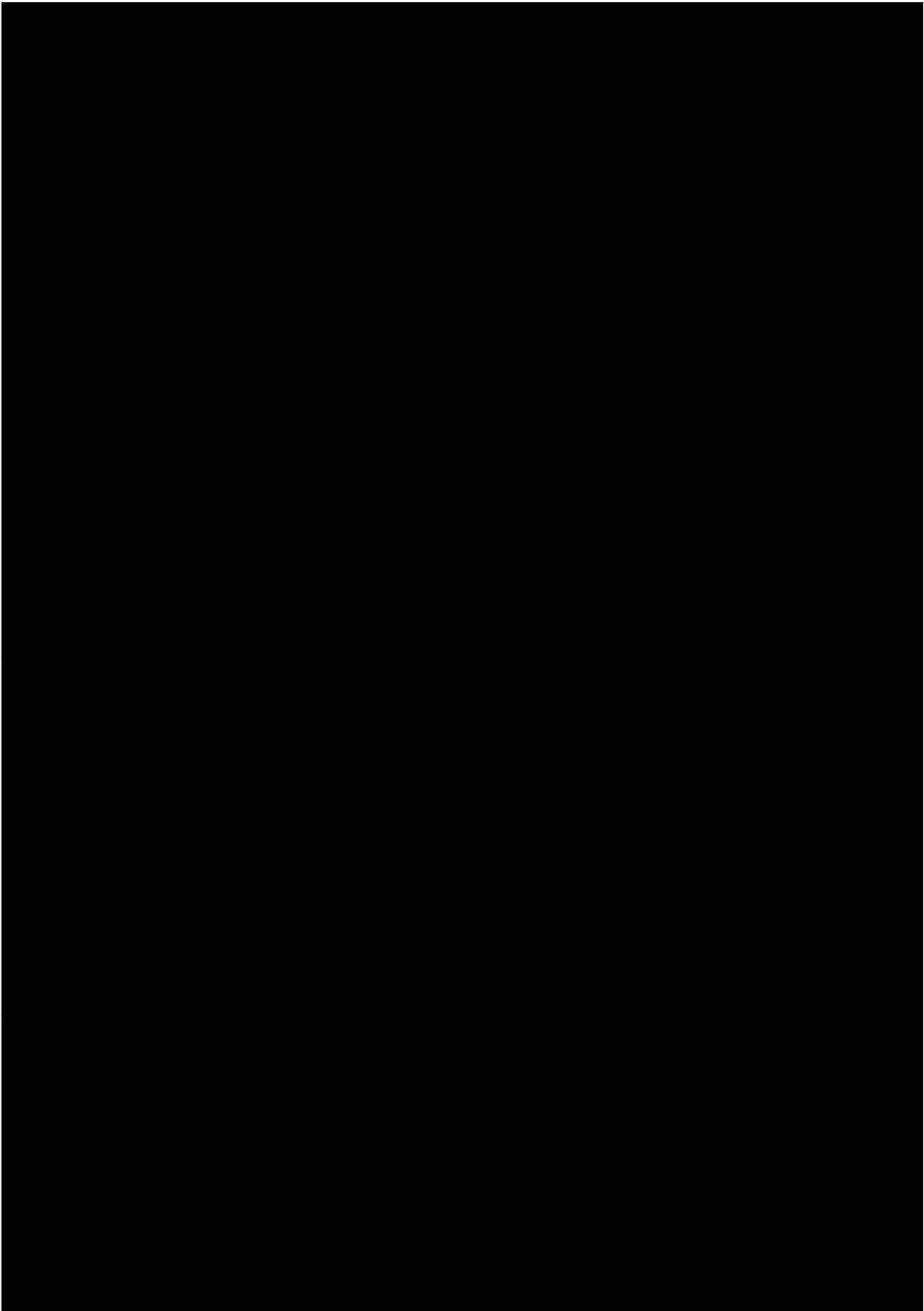


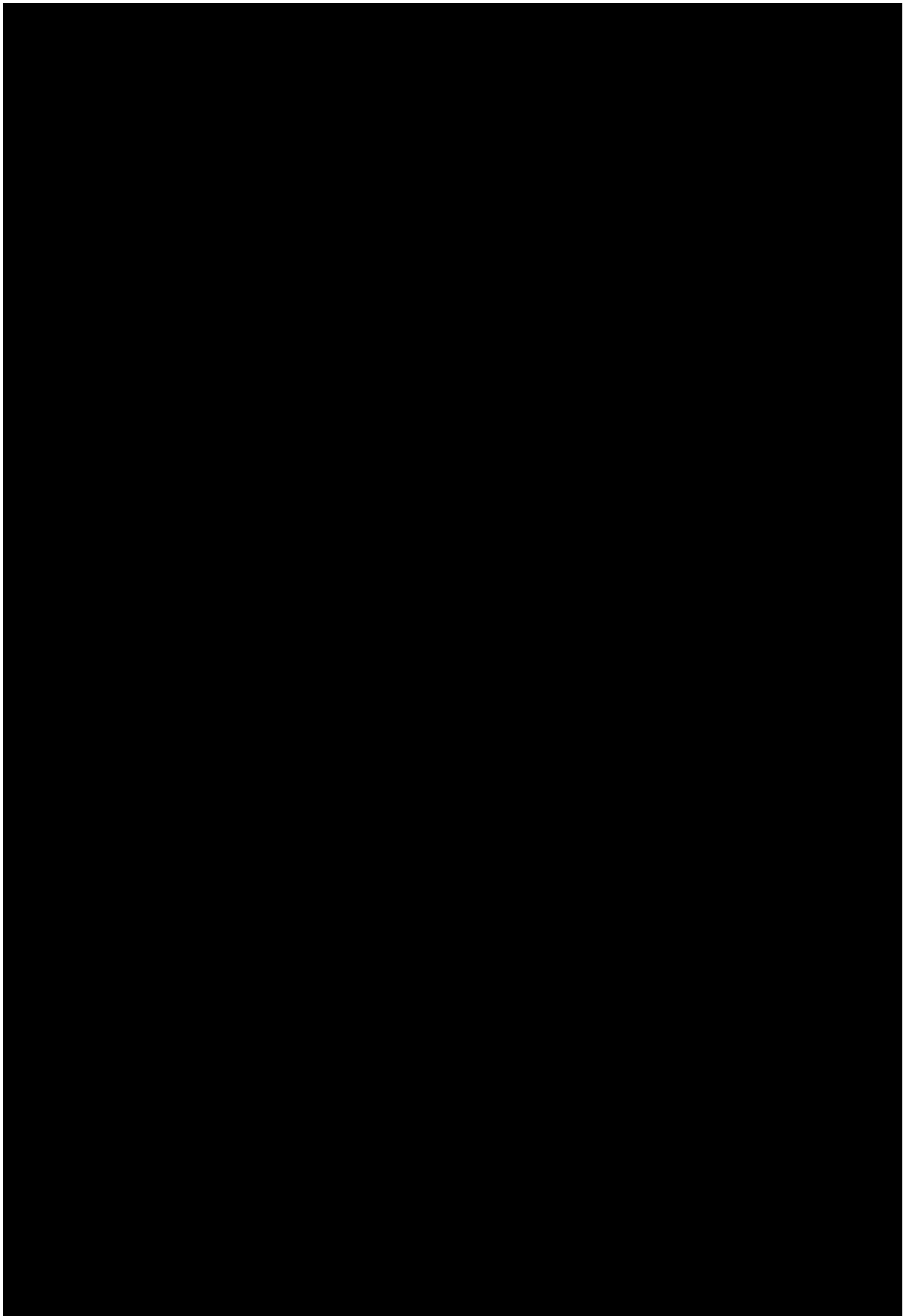


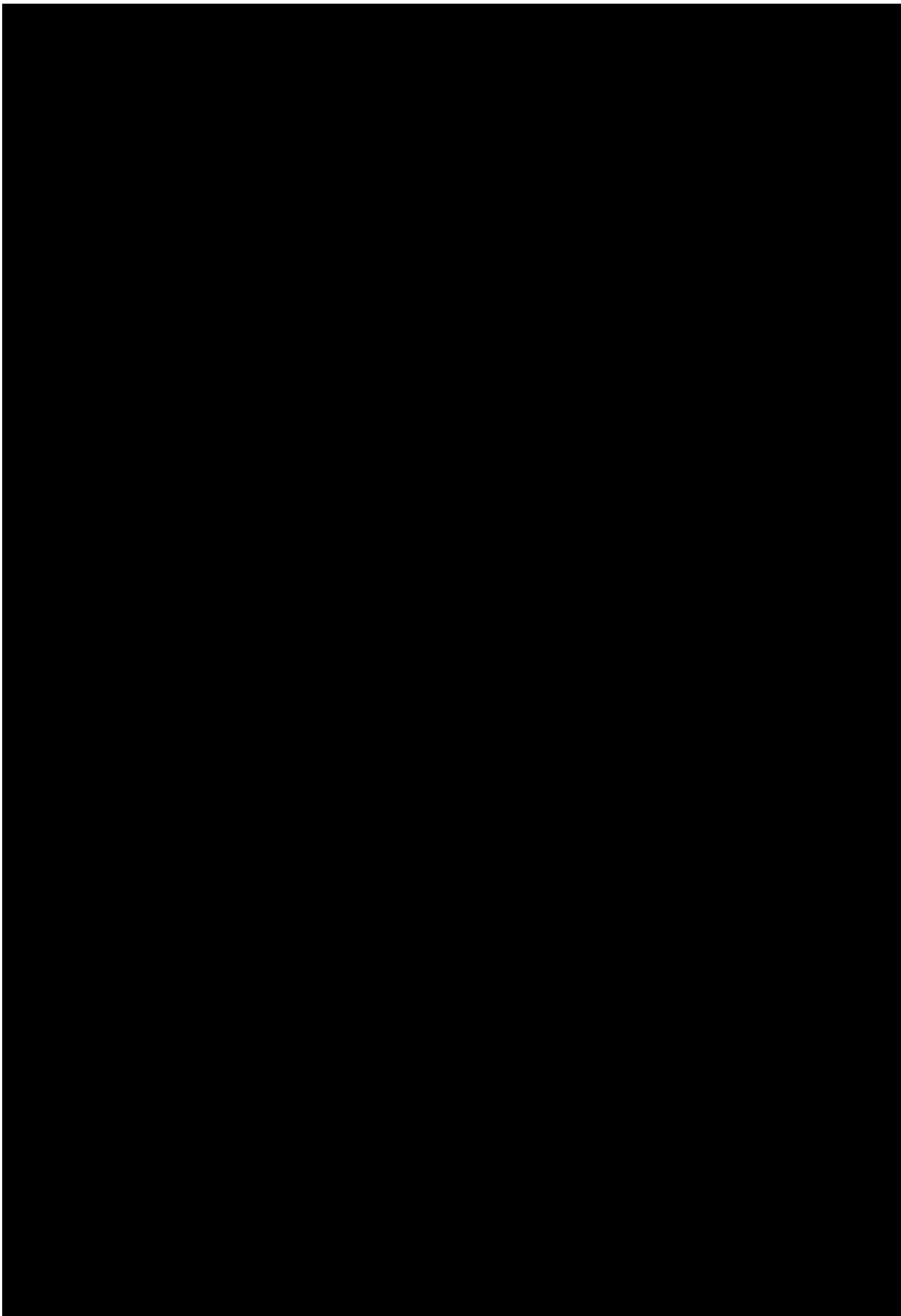


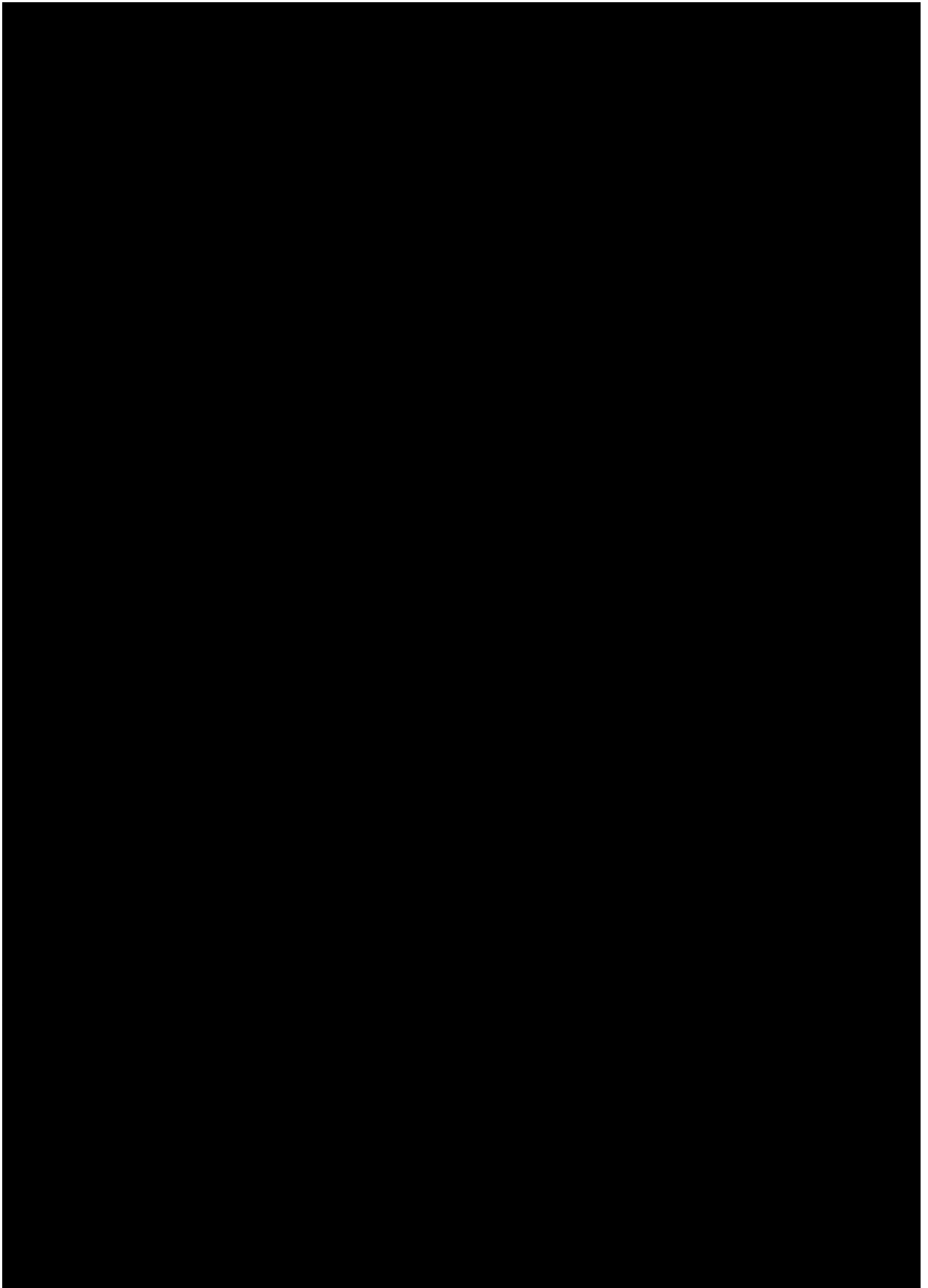


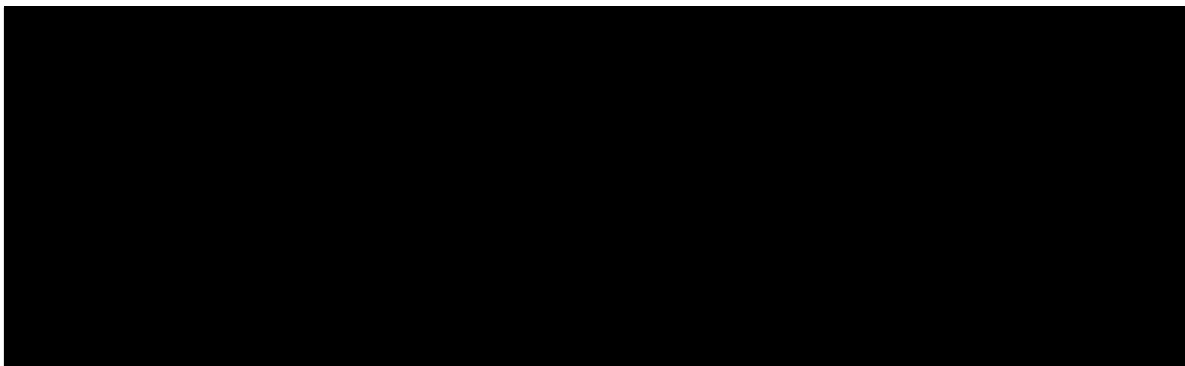












**Subject:** Extravaganza Early Bird Ticket Deadline is Monday!

**Attachments:** 2013\_Extravaganza\_Qual\_usen.pdf

**Importance:** High

Hello Team Herbalife,

Extravaganza is less than two months away! Get the best price and purchase your **\$75 Early Bird tickets by Monday, August 19th!**

Ticket prices will increase starting Tuesday, August 20<sup>th</sup> - be sure to promote the \$75 Early Bird tickets to your entire team so they can **save some \$\$\$** when they secure their seats at the **most incredible event of the year taking place in none other than Las Vegas!**

**Visit the Extravaganza website now for all of your ticketing and hotel booking needs:**

**<http://www.herbalifeextravaganza.com/northamerica/2013/las-vegas/>**

We can't wait to see you and your entire organization in fabulous Las Vegas!

**Thank you so much!**

~Hugs from your North America Sales & Strategy Team~

Kristin Fauth | Sales & Strategy Associate Manager | North American Sales & Strategy Support

Herbalife | 950 W 190th Street, Torrance, CA 90502

310 410 9600 x 22029 | Direct 310 258 7109

Fax 310 258 7144 | [kristinf@herbalife.com](mailto:kristinf@herbalife.com)

[www.herbalifeevents.com](http://www.herbalifeevents.com)



# HERBALIFE. EXTRAVAGANZA

LAS VEGAS, NEVADA | OCTOBER 11-13, 2013



## CELEBRATE YOUR SUCCESS.

Attend the most motivational and electrifying event of the year, the 2013 Extravaganza!

Herbalife Extravaganza, the one weekend adventure that won't stay in Vegas. Celebrate, network and learn to build a more successful business – and a healthier you – from top Herbalife Distributors.

### EVENT QUALIFICATIONS

**Qualification Period: July to September 2013**

Open to all Distributors who purchase a ticket.

### EVENT PROMOTIONS

#### JULY SPECIAL PROMOTION

**Double Volume Up to 7,500 Bonus Points**

All Fully Qualified Supervisors can earn up to 7,500 Bonus Points in the month of July toward the Silver and Gold Extravaganza promotions.

#### NEW SUPERVISOR PROMOTION

**Double Volume Up to 7,500 Bonus Points**

All 2013 Fully Qualified Supervisors can purchase their tickets at the special price of \$75 and earn Double Volume up to 7,500 Bonus Points towards the Silver and Gold Extravaganza promotions in their first month of becoming a Fully Qualified Supervisor.\*

#### NEW DISTRIBUTOR PROMOTION

All new Distributors can purchase their tickets at the special price of \$75. This promotion is open to all new Distributors during the July–October qualification period.

\*Qualifying Supervisor volume cannot be counted. Only volume placed as a Fully Qualified Supervisor can be counted.

The event will be translated into Spanish, French, Russian, Polish, Mandarin, Korean and American Sign Language (ASL).

**Purchase your tickets today at [HerbalifeEvents.com](http://HerbalifeEvents.com)  
or by calling 866-866-4744!**

Two tickets maximum per Distribution. Ticket sales are final – they are non-transferable and non-refundable. Video cameras are not allowed. Children are not permitted. All qualifications must be completed prior to the day of the event. Herbalife reserves the right to revalidate Distributor qualifications up to and including the days of the event. Must be present at the event to redeem all promotions.



Video cameras  
are not allowed.



Children  
are not permitted.

### COMMEMORATIVE ACTIVE WORLD TEAM MEDALLION PROMOTION

Open to all Fully Qualified Supervisors who qualify for the Active World Team from September 2012 to August 2013.  
(Recognized from October 2012 to September 2013)

### EVENT PROMOTION

#### RECOGNITION PARTY

For everyone that attends the event and purchases a ticket.

#### SILVER VIP

##### \$250 Cash and VIP Seating

Achieve a total of 25,000 accumulated Total Volume Points in three consecutive months within the qualification period.

#### GOLD VIP

##### \$250 Cash, VIP Seating and Exclusive Cirque du Soleil Theme Dinner and Dance

Achieve a total of 30,000 accumulated Total Volume Points in three (3) consecutive months within the qualification period.

### TICKETS

**EARLY BIRD: \$75** SKU #C224  
(Available until July 31)

**ADVANCE: \$80** SKU #C237  
(Available until September 1)

**REGULAR: \$100** SKU #C267

**AT THE DOOR: \$175\*** SKU #C268

\*Tickets at the door if space permits.

© 2013 Herbalife International of America, Inc. All rights reserved. USA. EVT20206-USEN-01 07/13

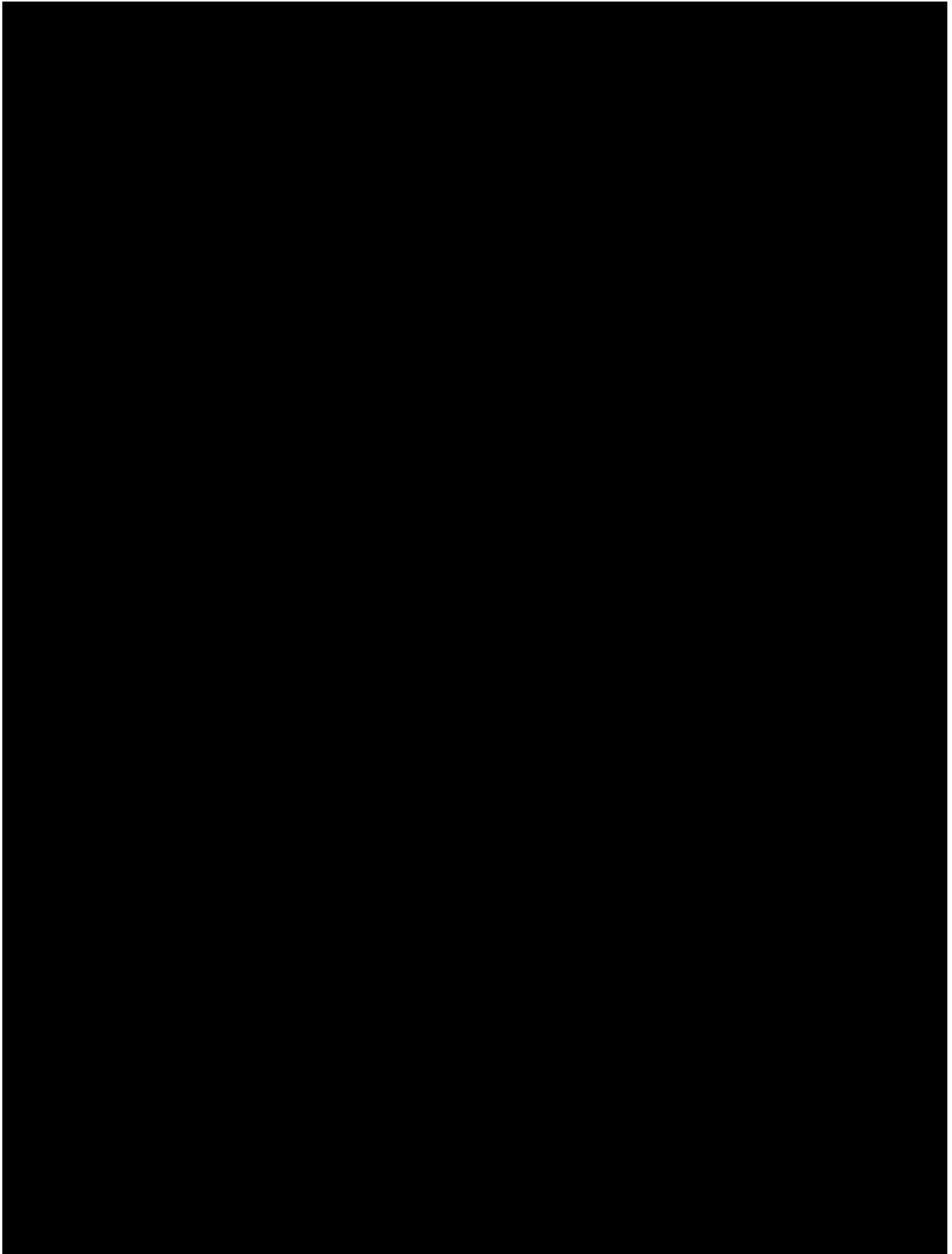
**MORE WAYS TO EXPERIENCE EXTRAVAGANZA THE EVENT THAT WILL HELP YOU BUILD YOUR FUTURE**

# EXHIBIT 1

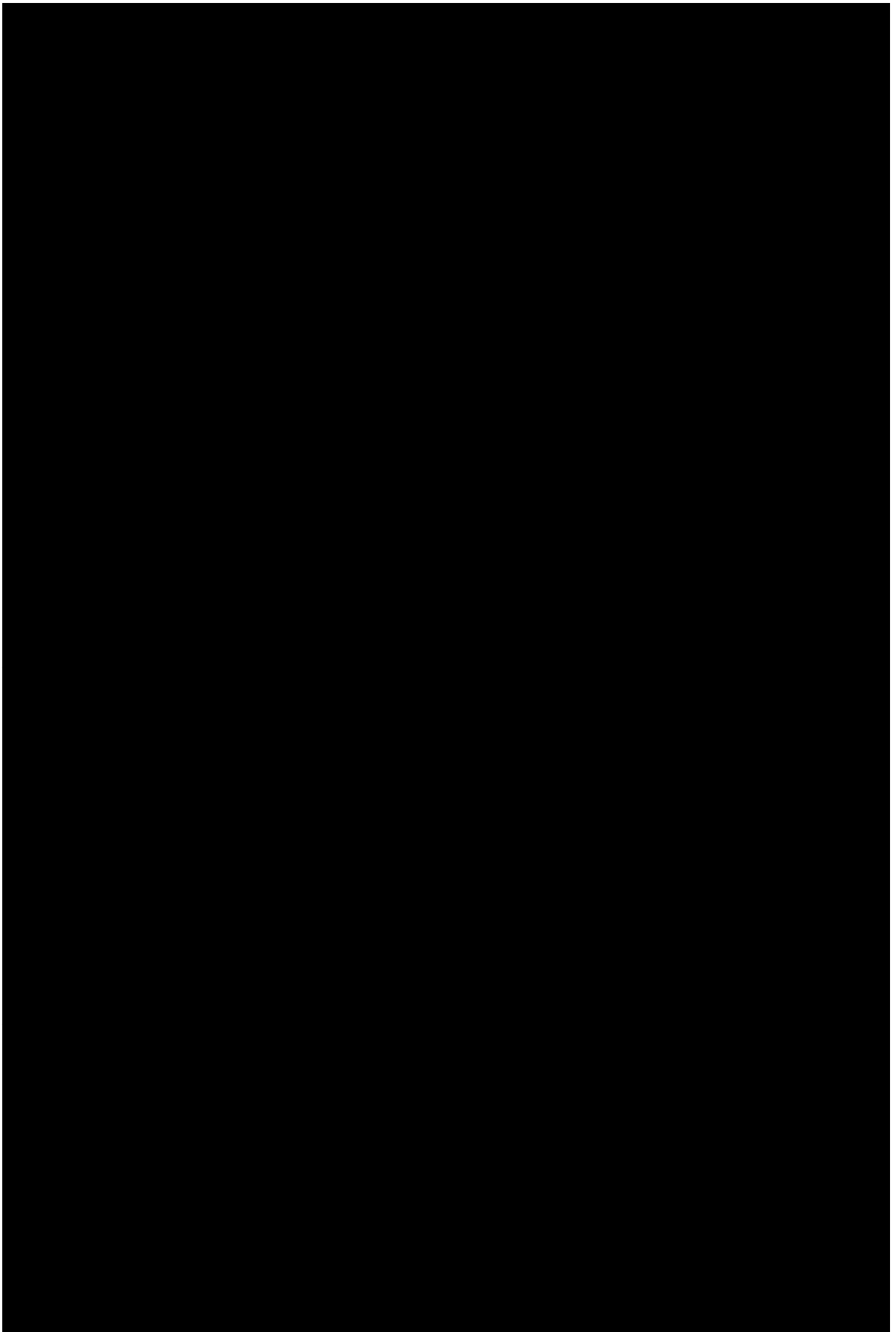
Message

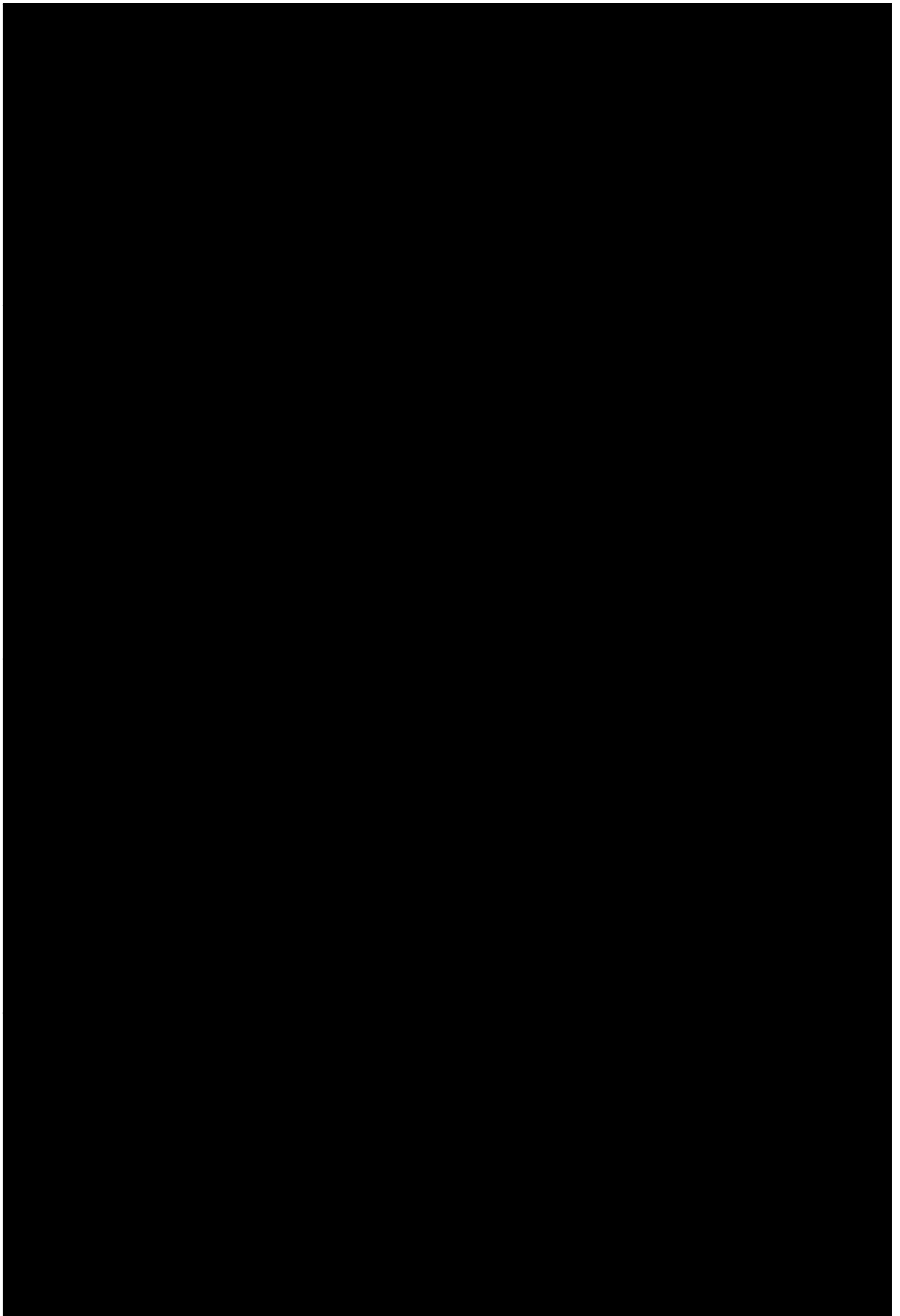
---

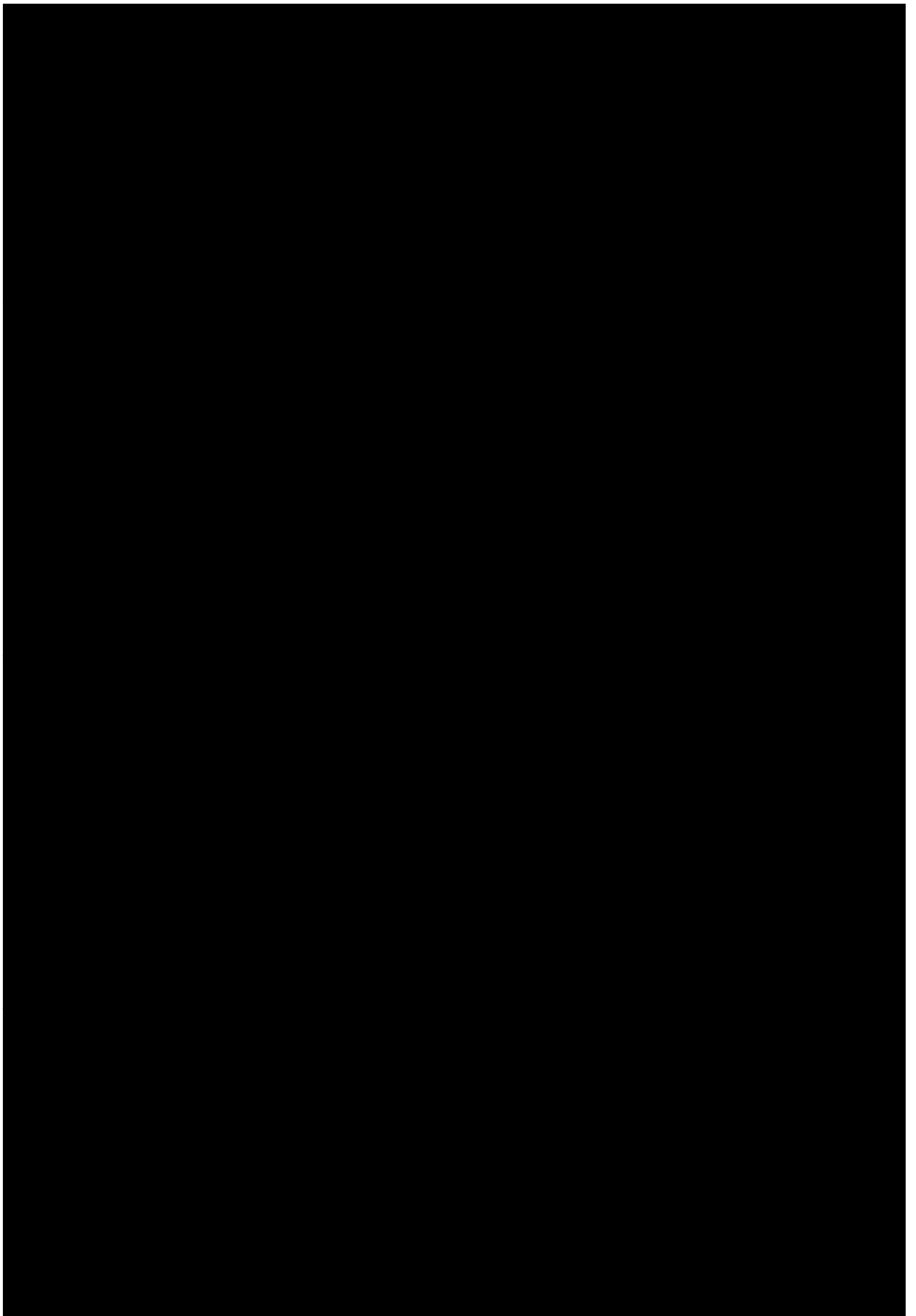
**From:** Kristin Fauth [Kristin Fauth]  
**Sent:** 8/27/2012 12:07:19 PM  
**CC:** Michael McKee; Bob Bogard; Saul Hernandez; Alex Topete; Cesar Rodarte  
**BCC:**

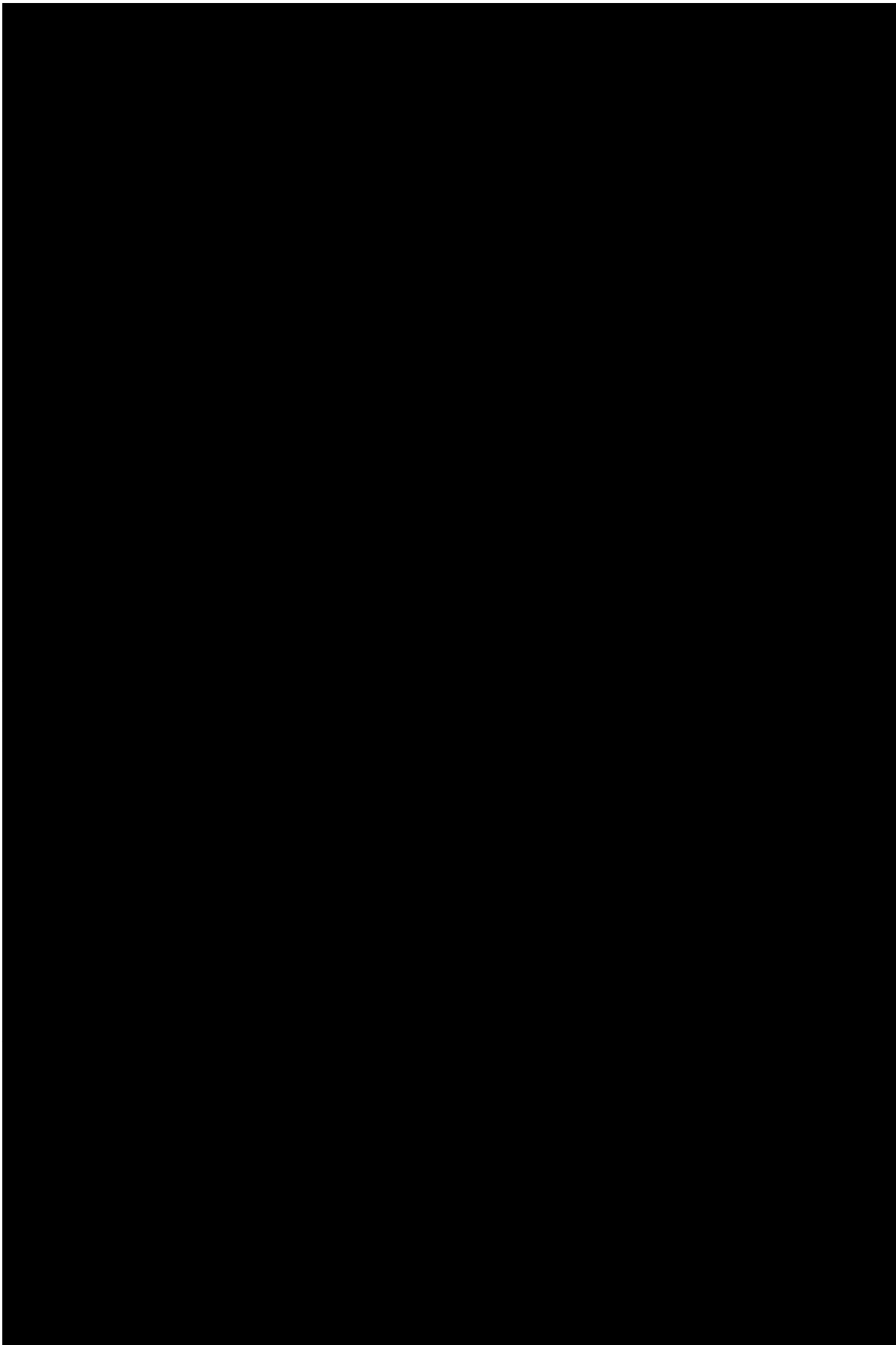


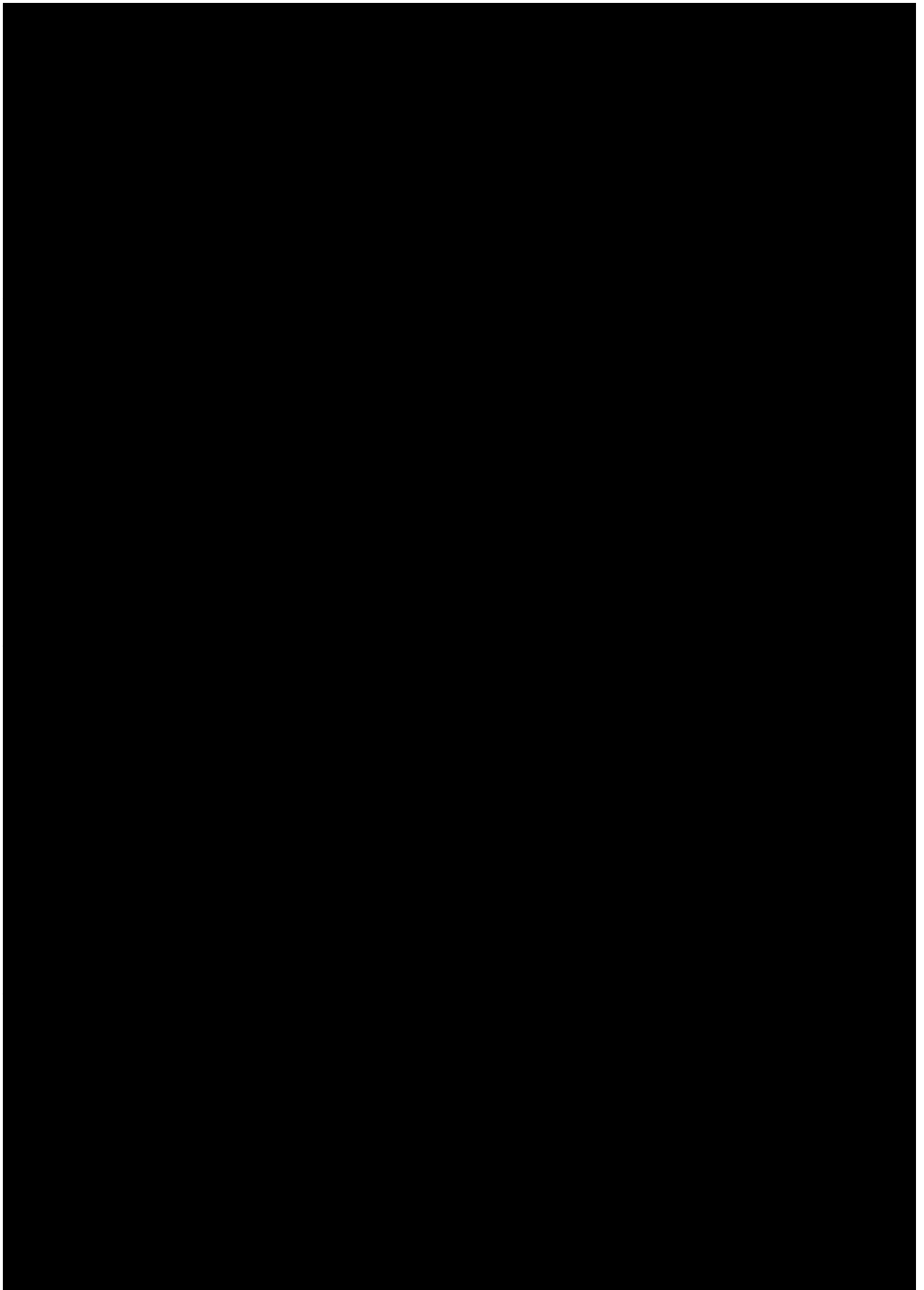


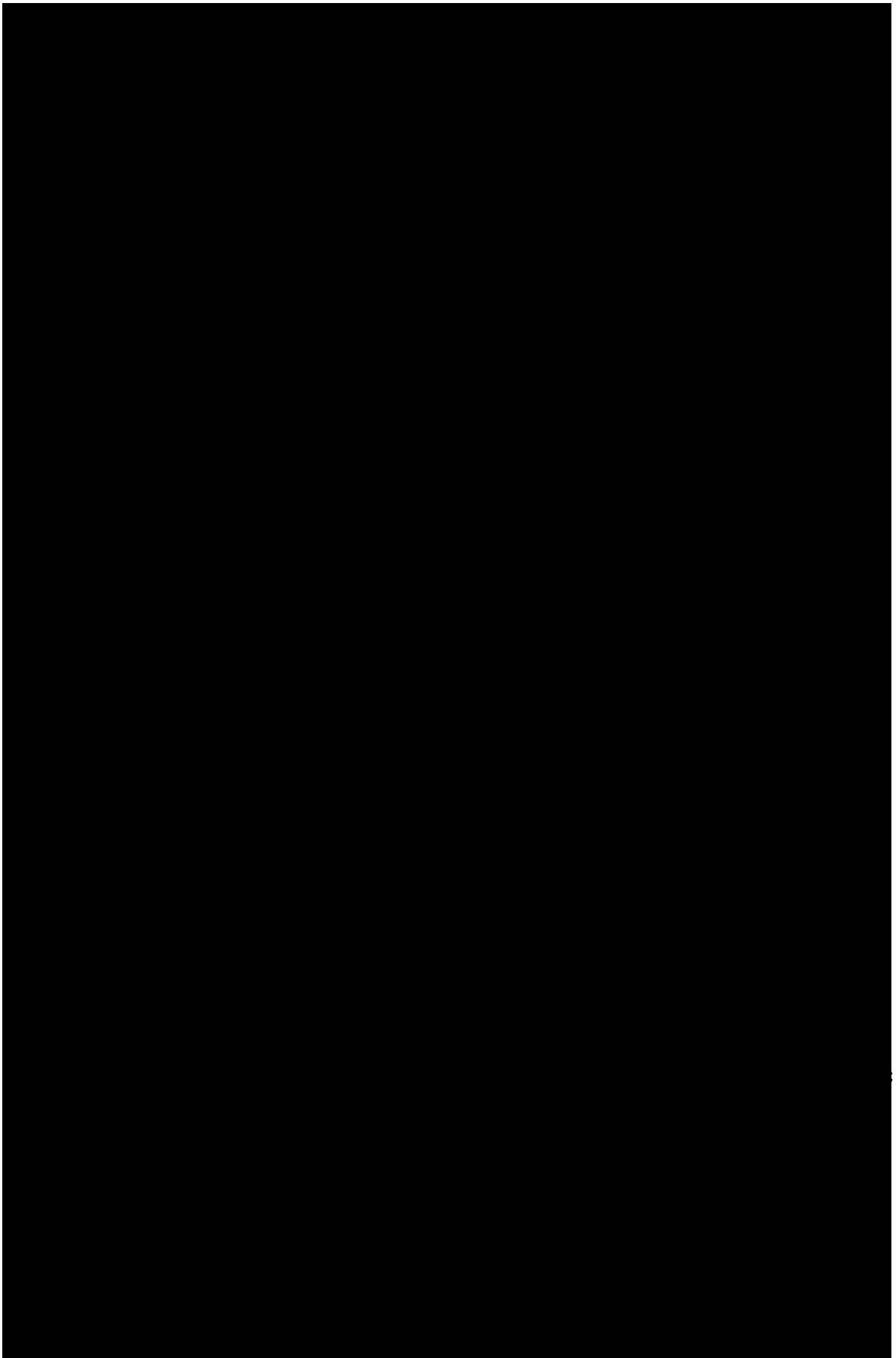


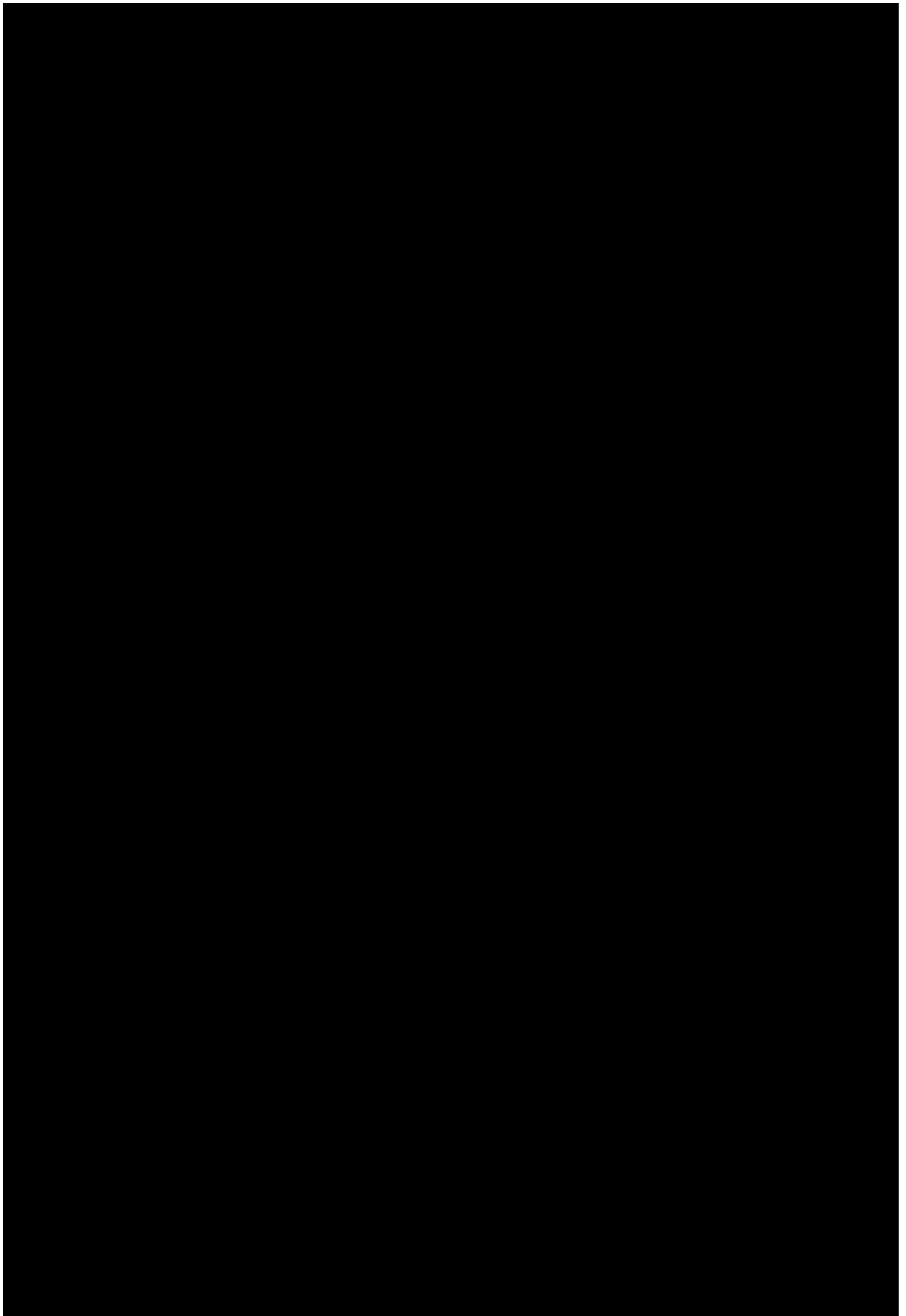


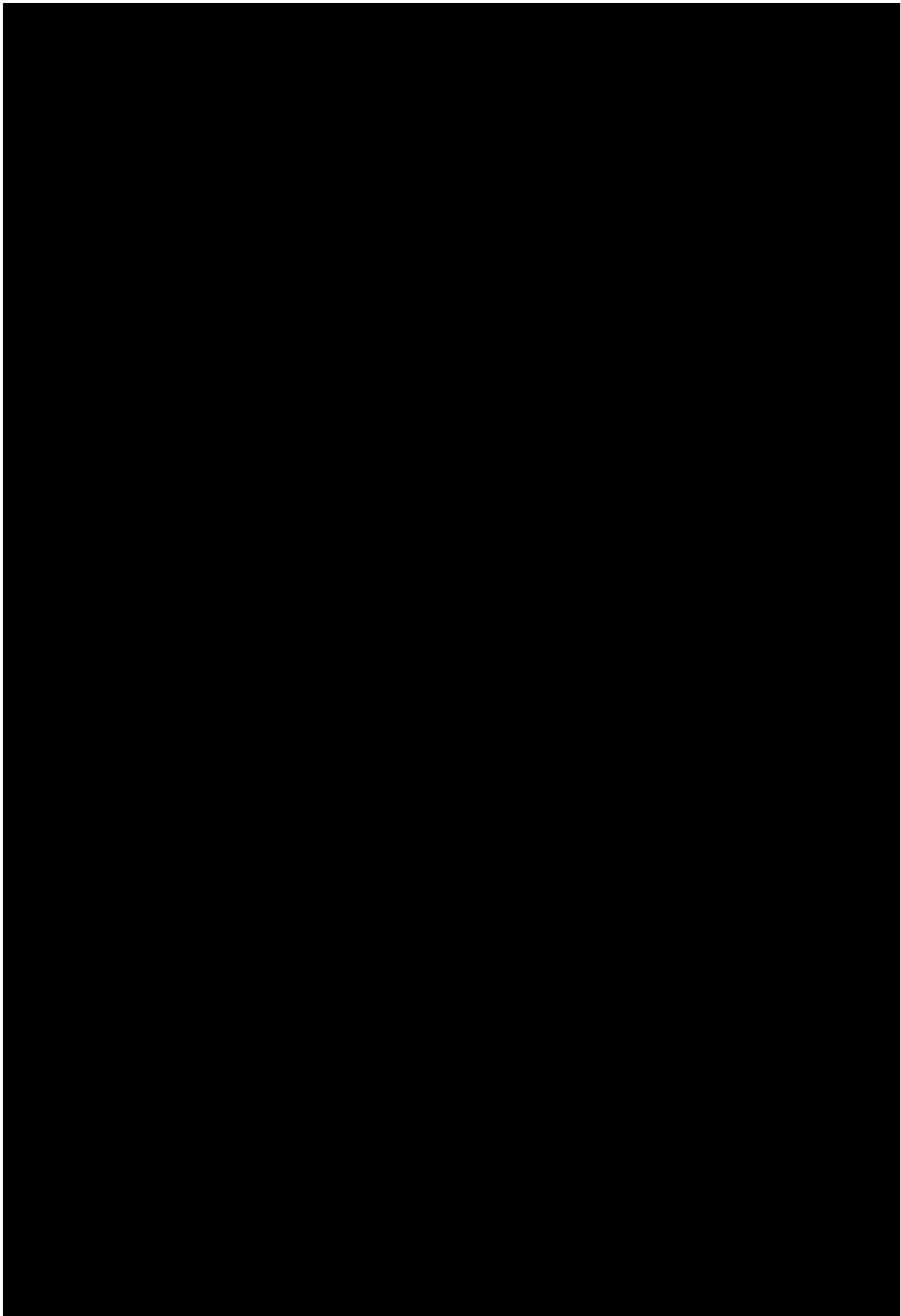




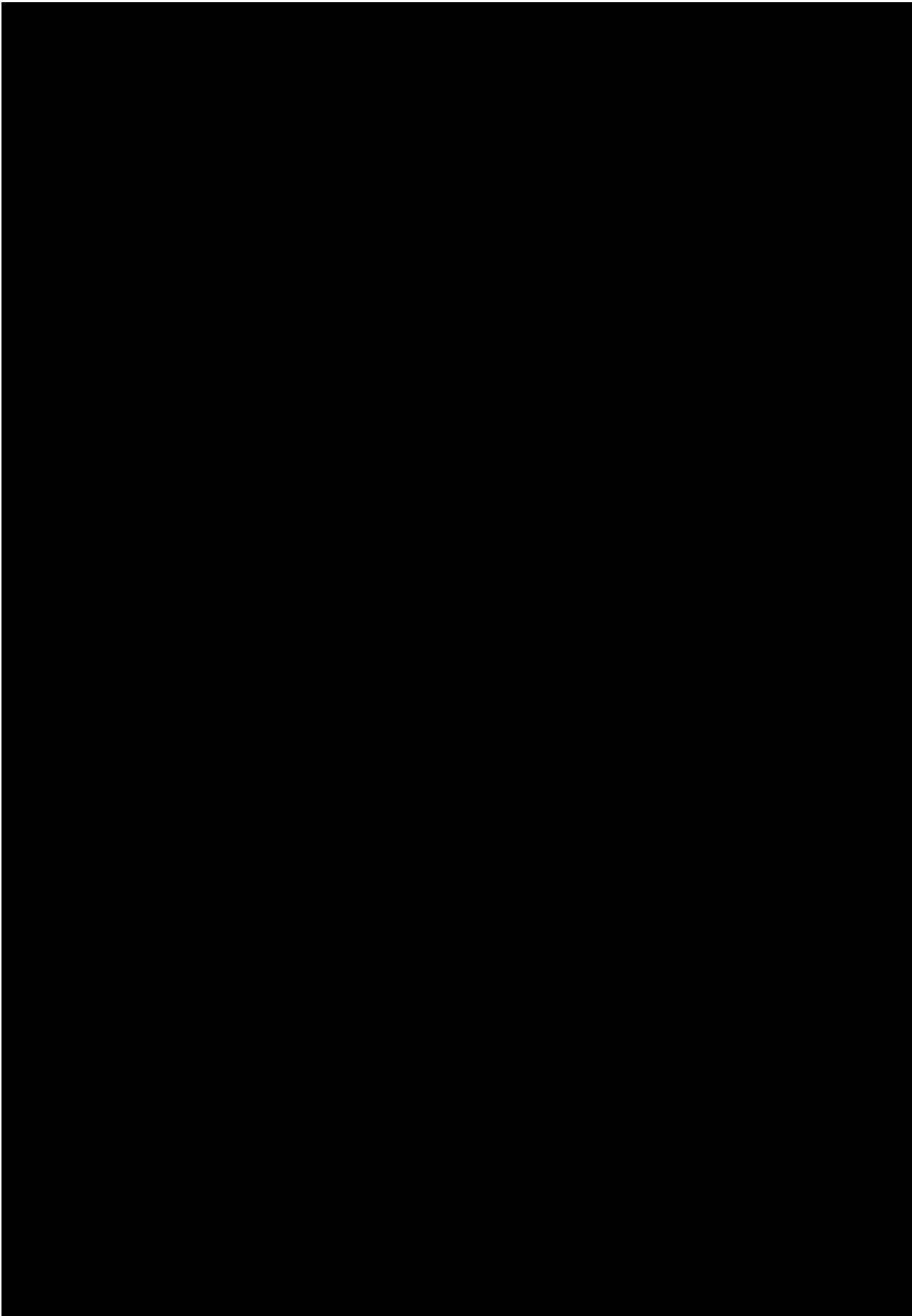


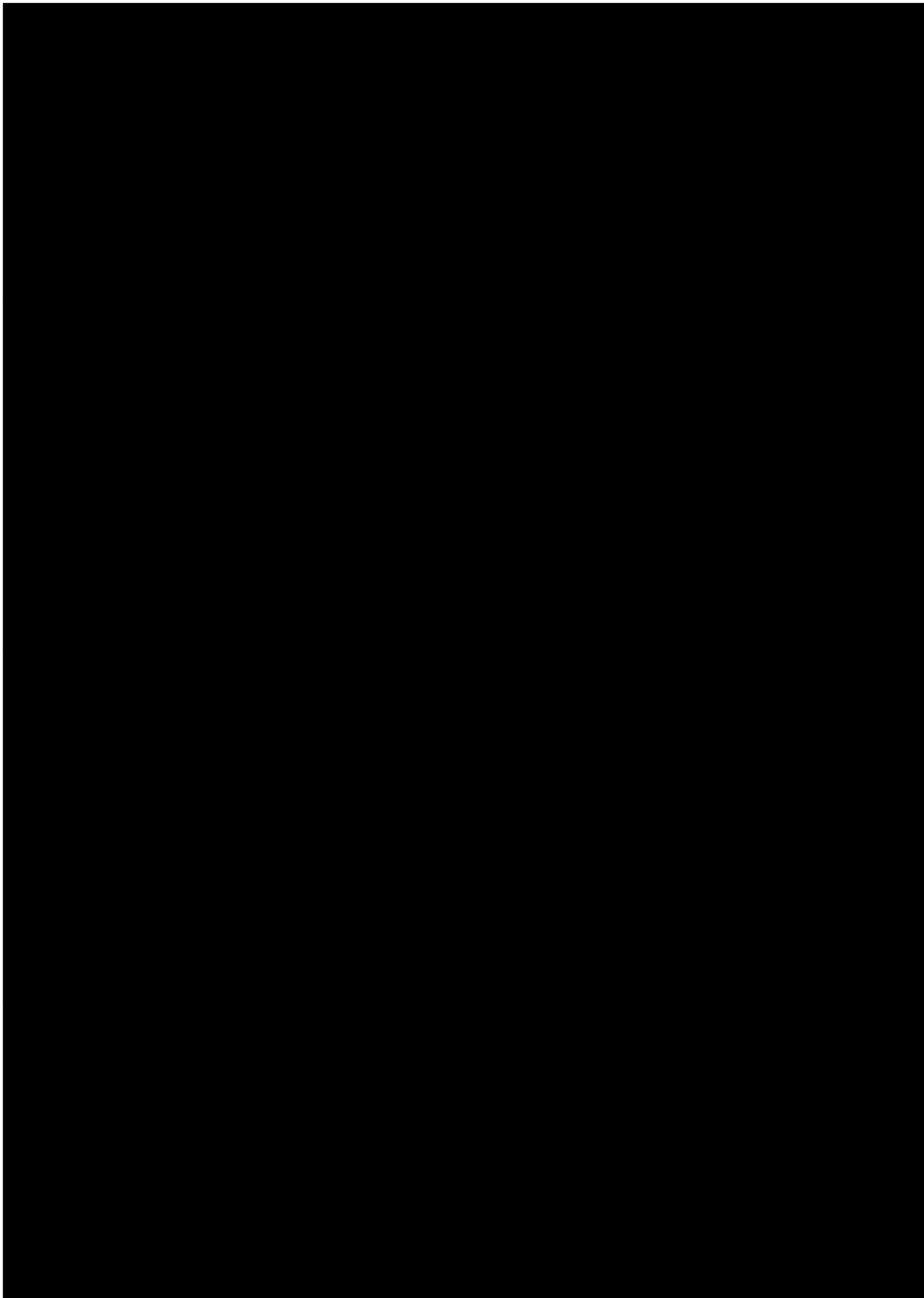


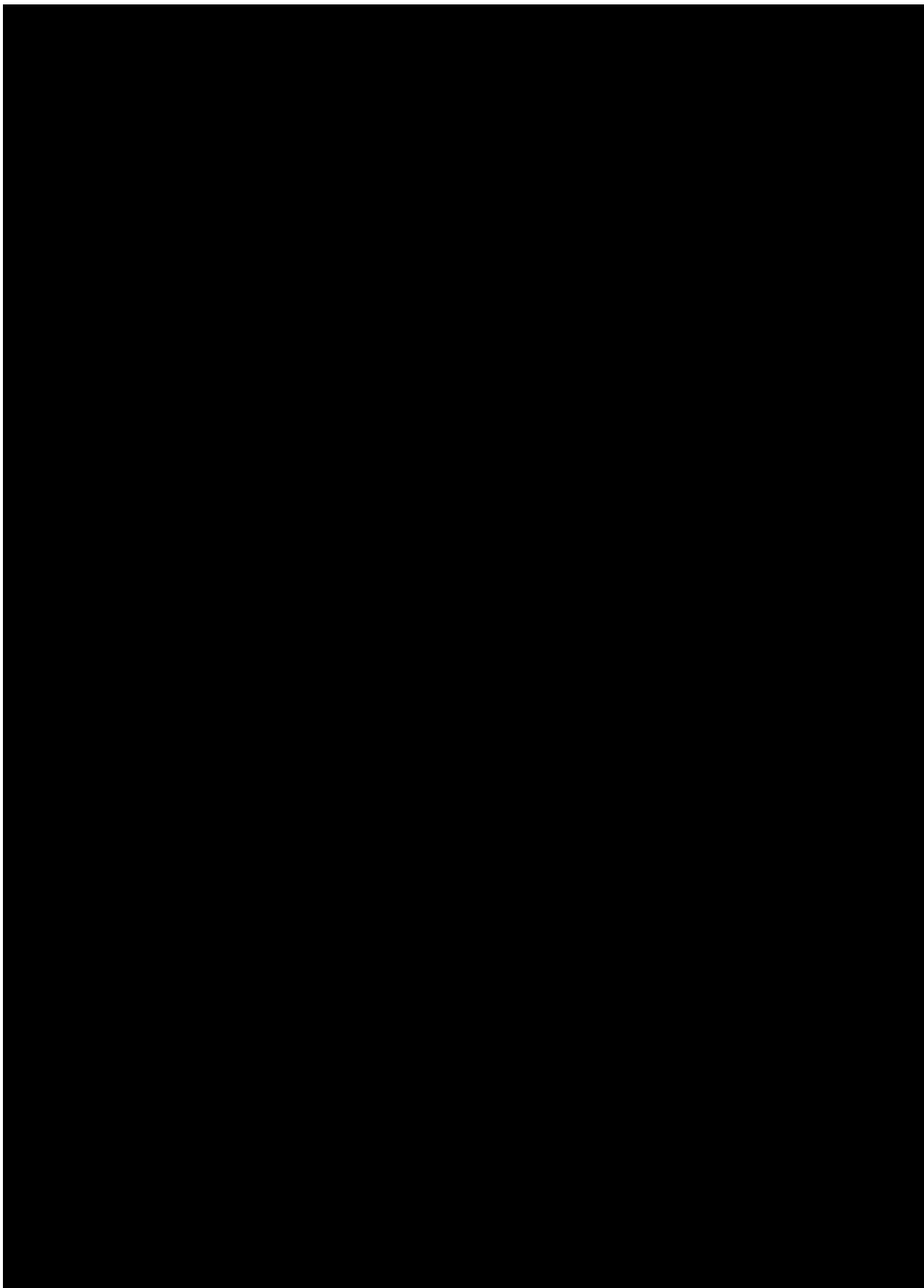


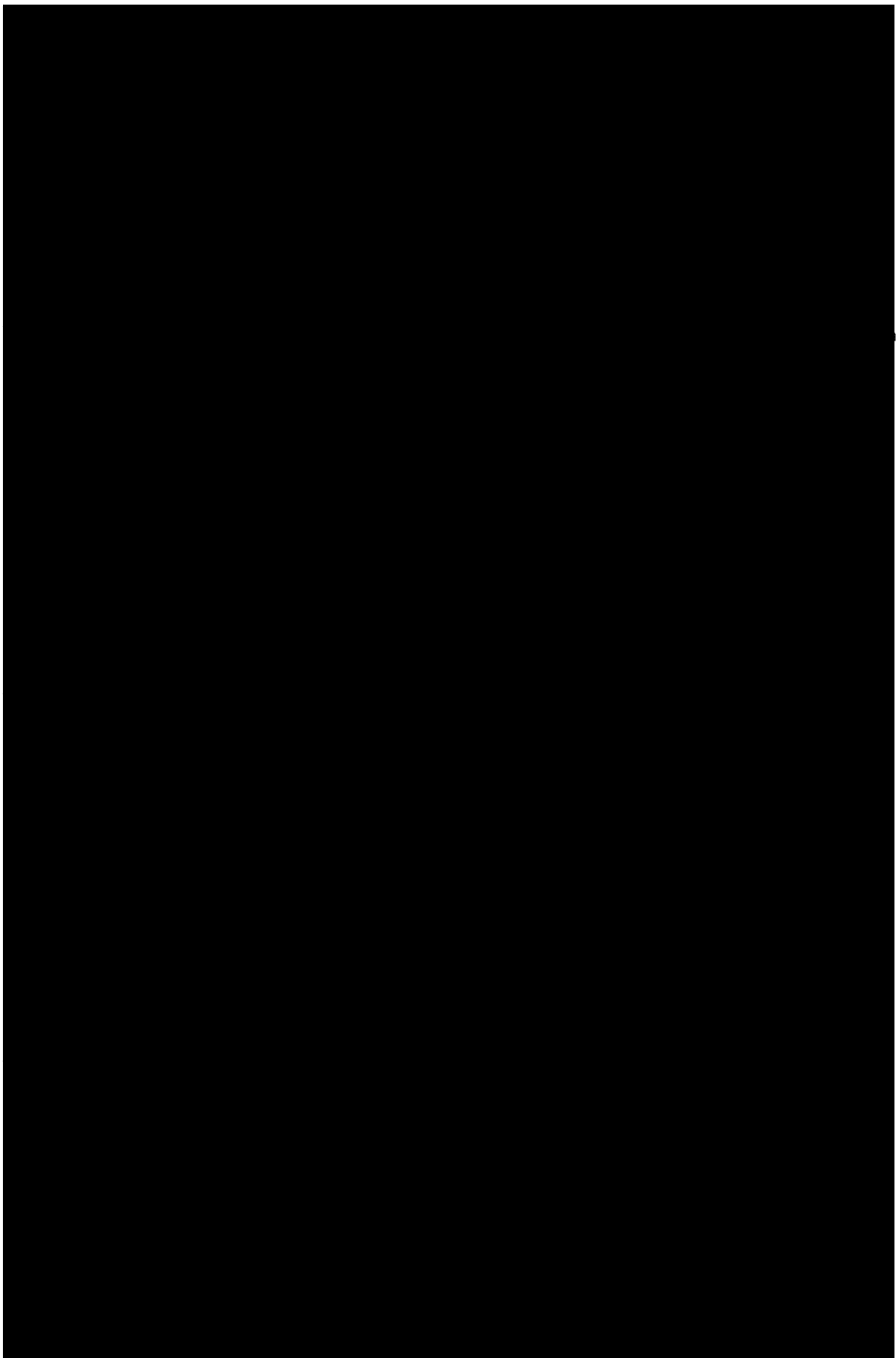


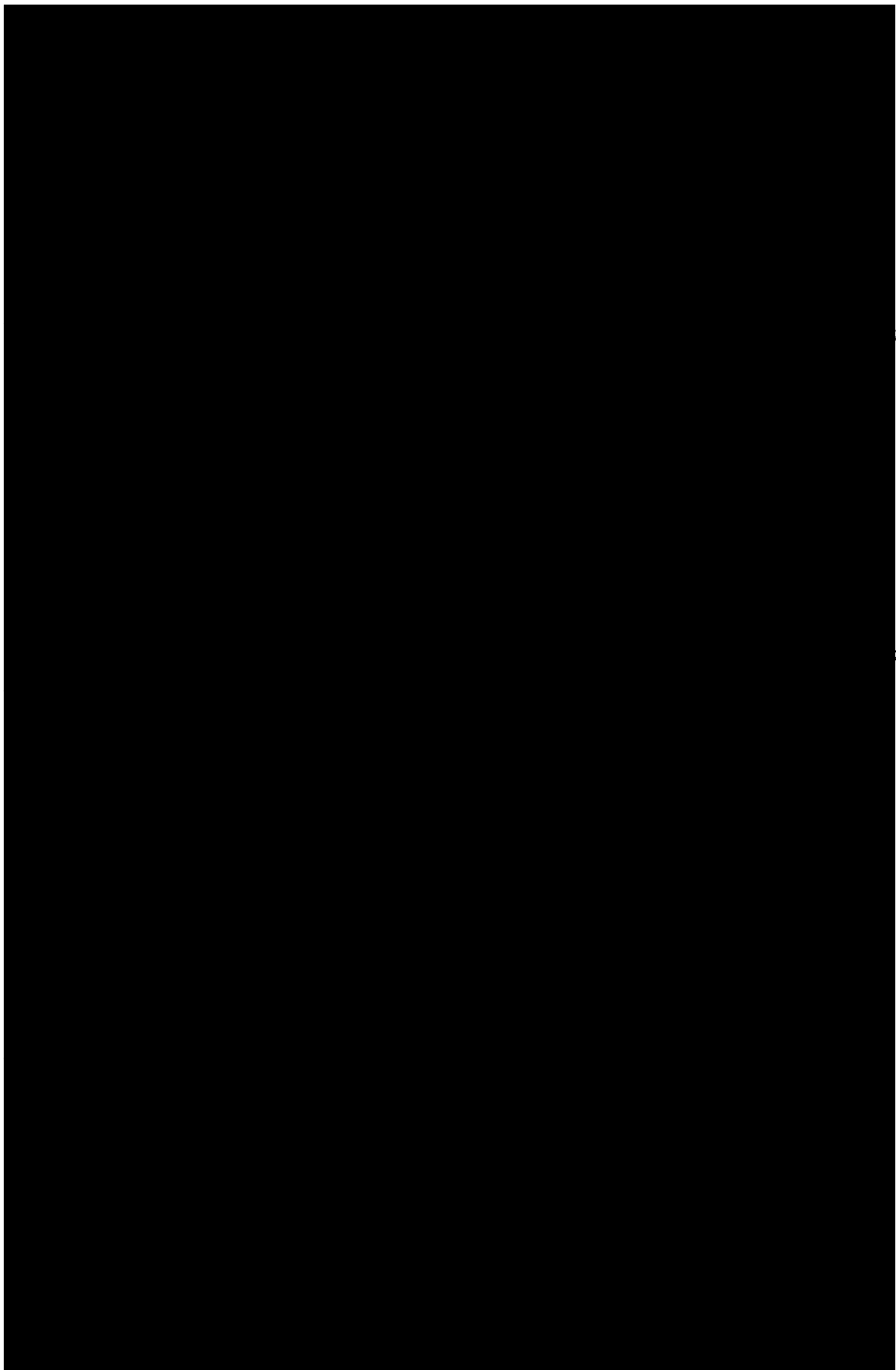


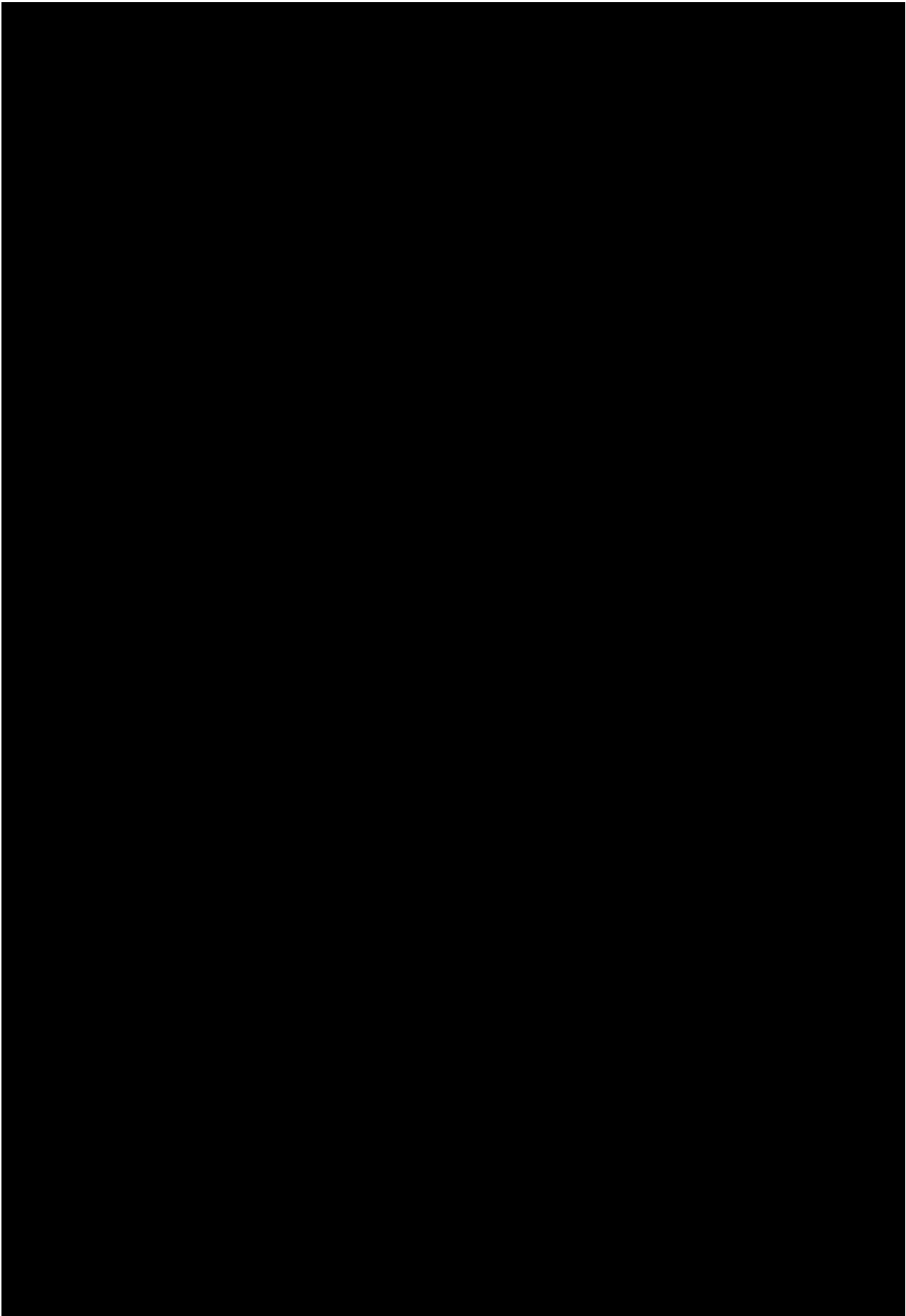


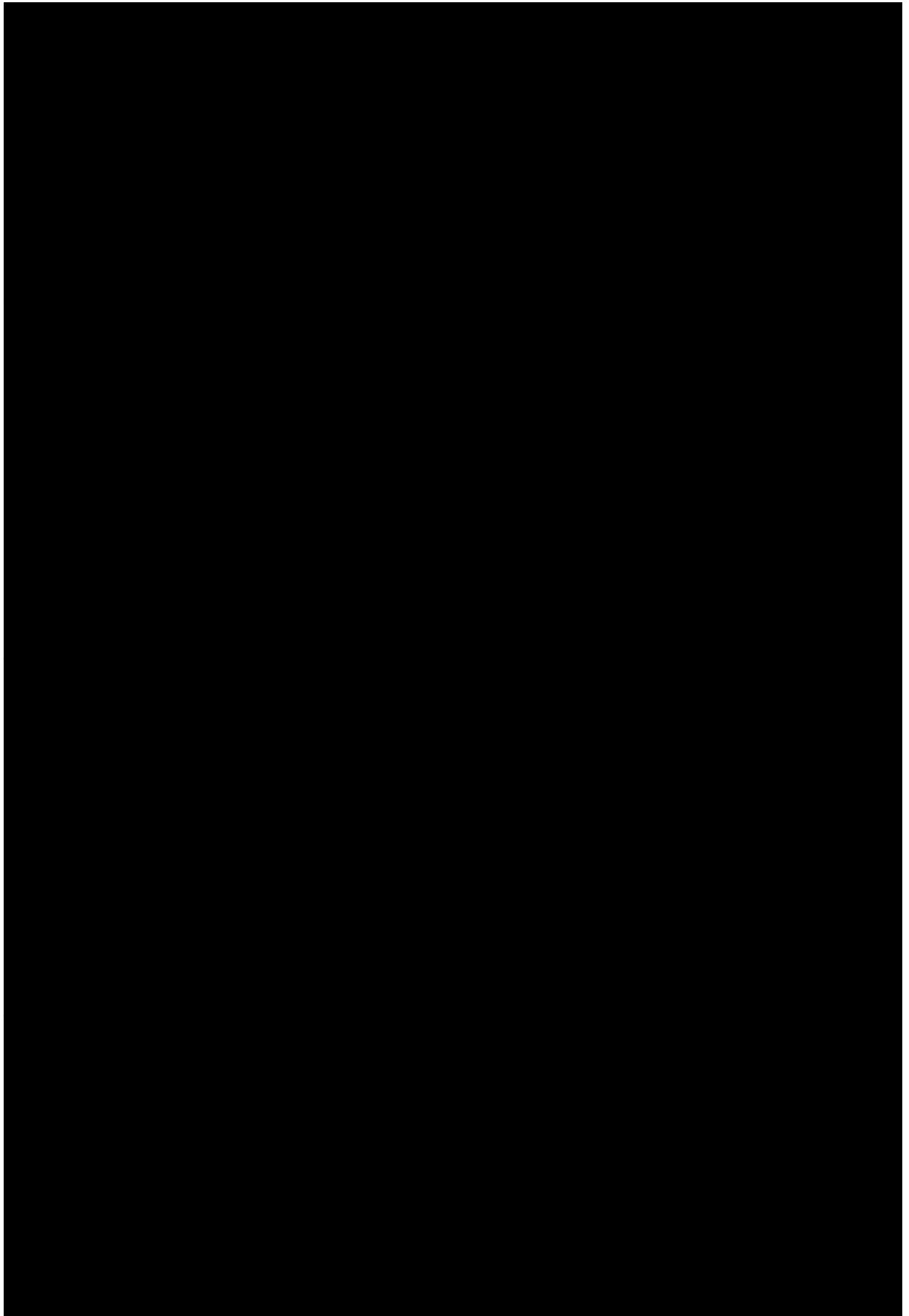


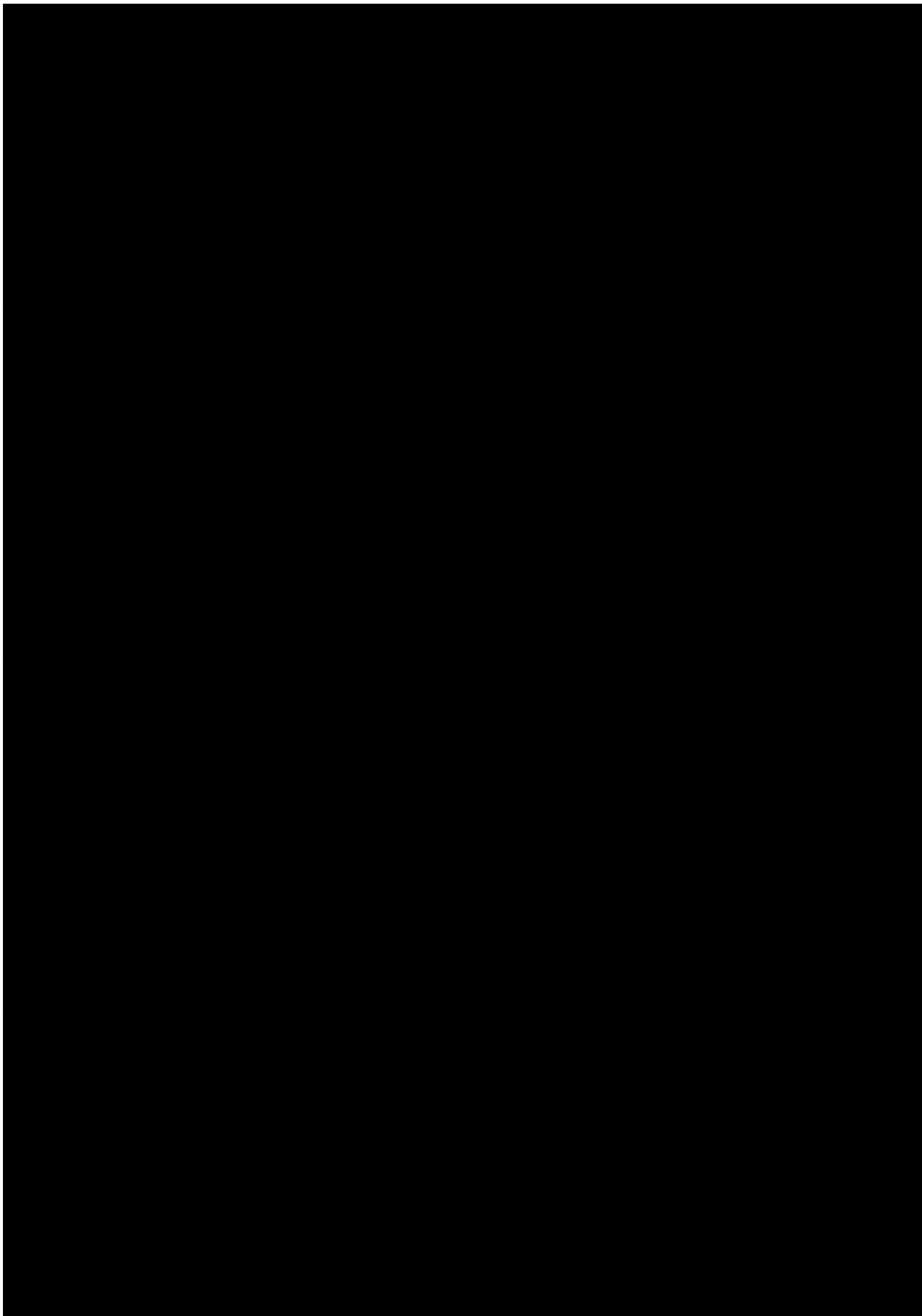




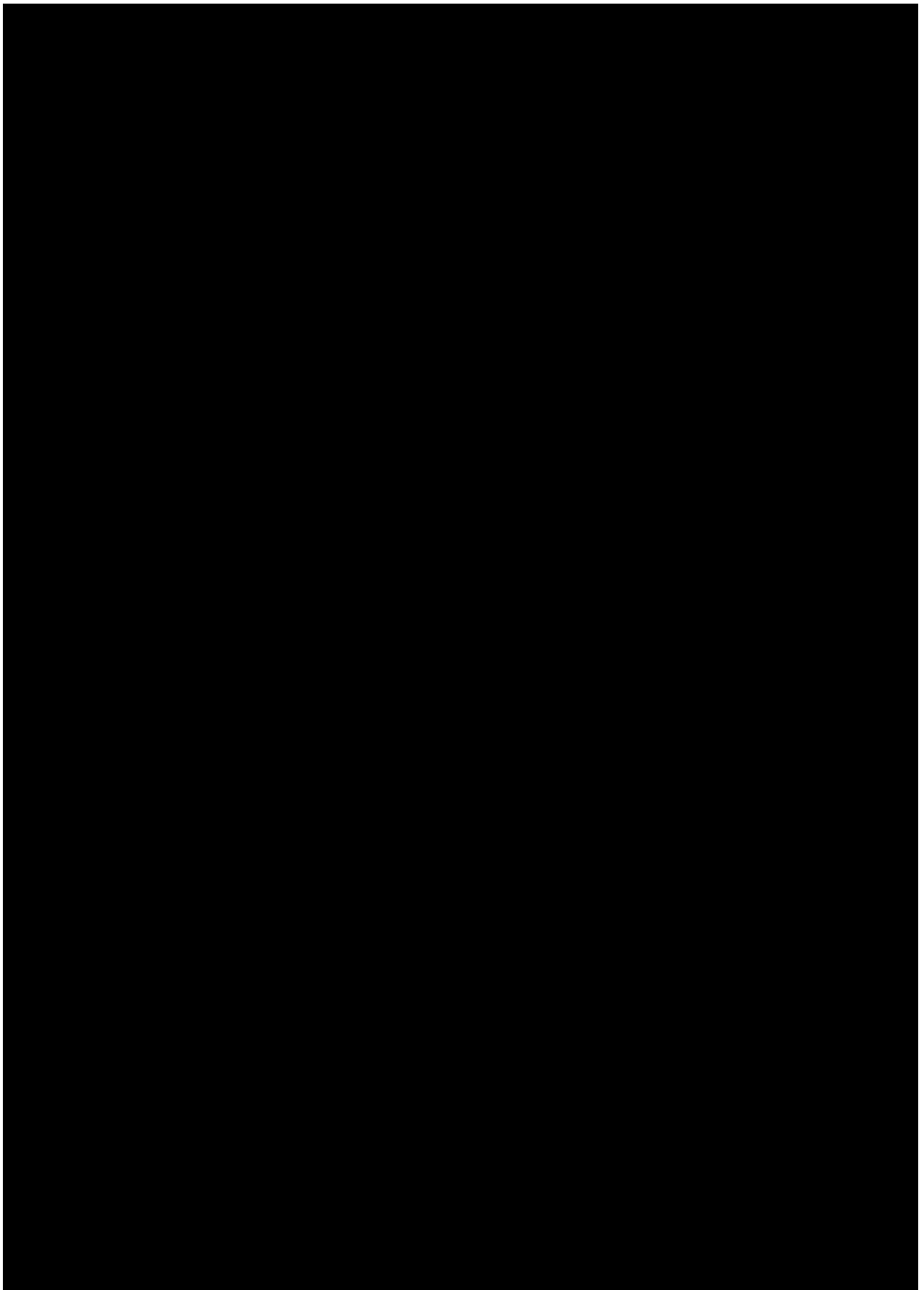


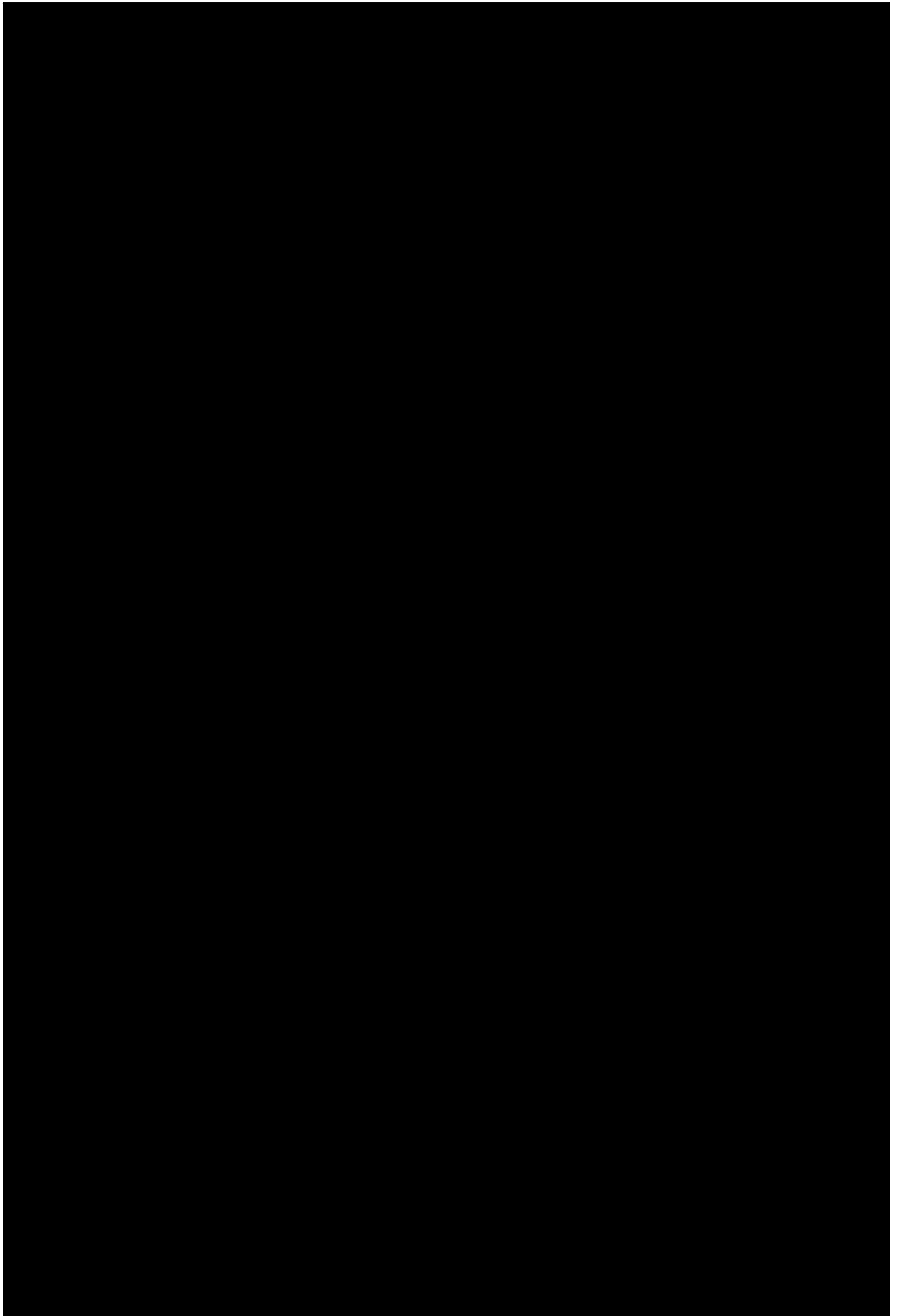


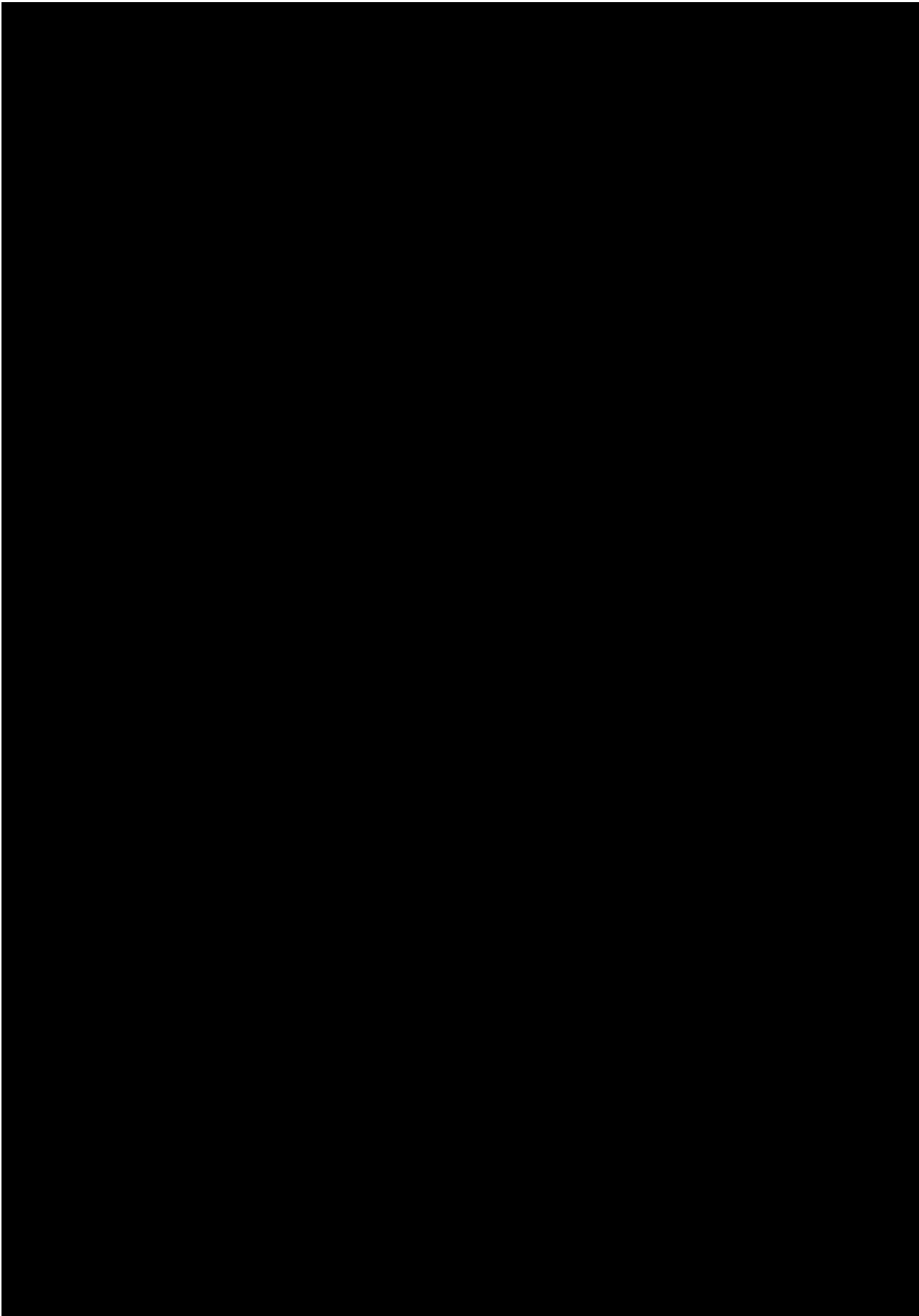


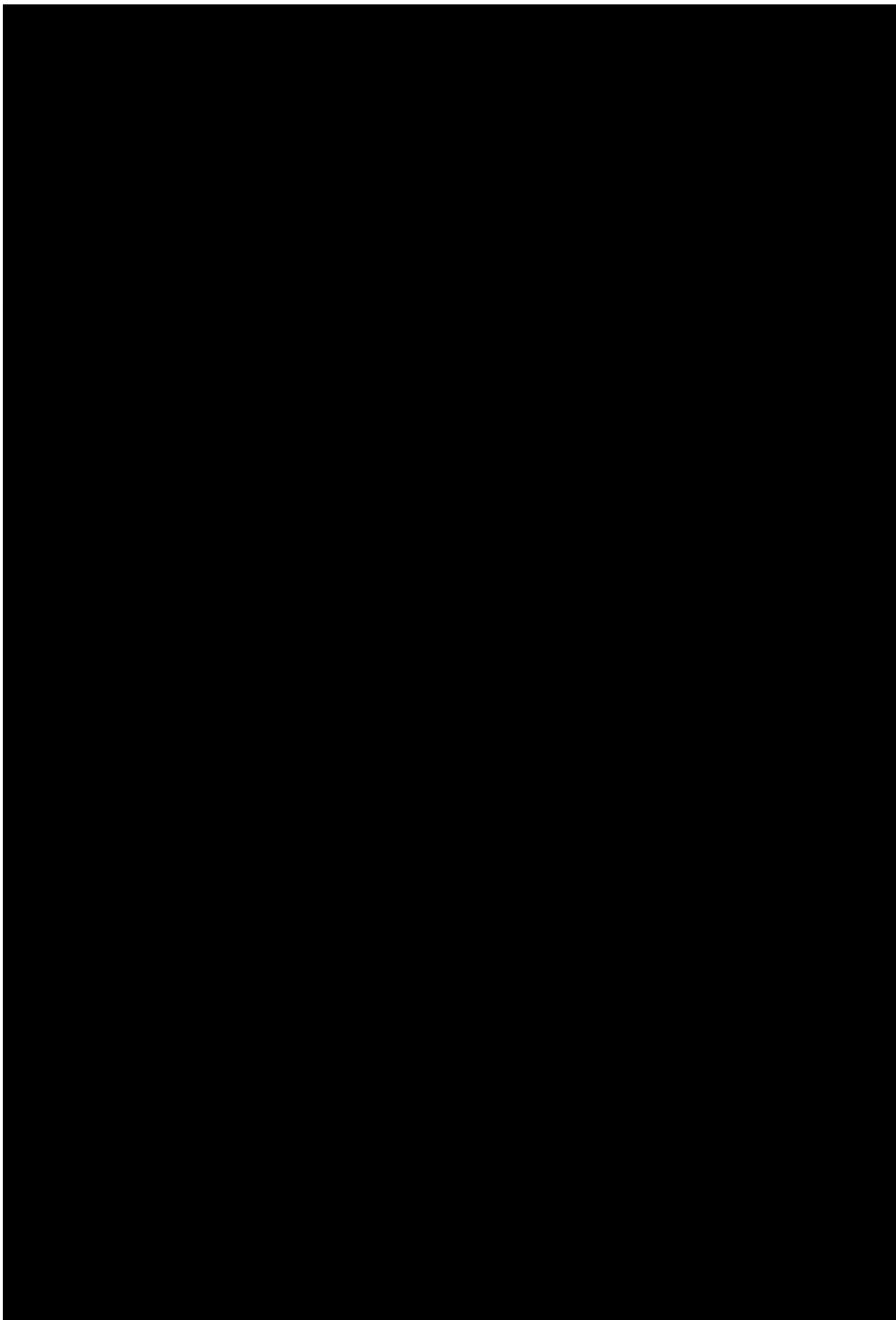


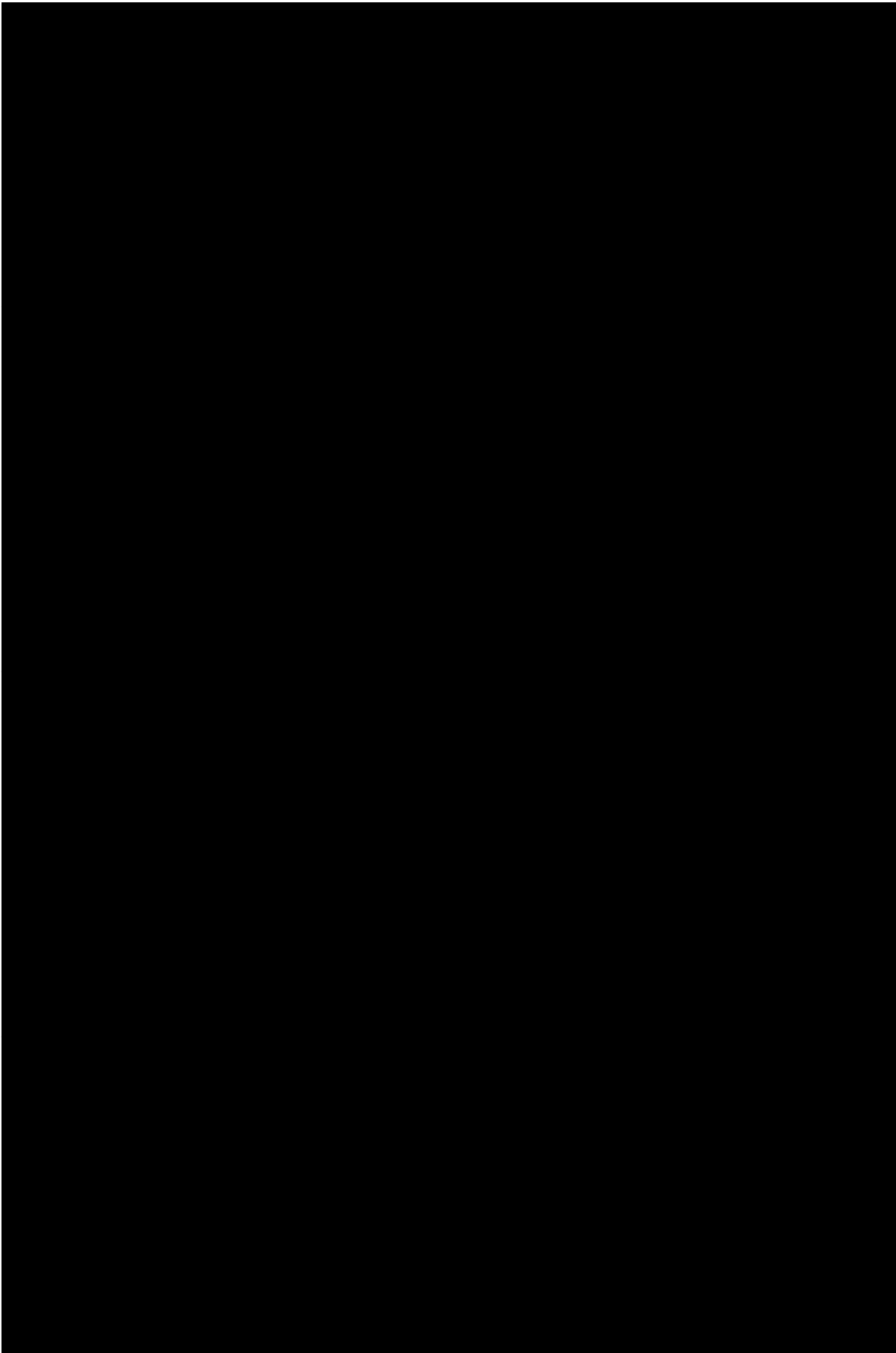


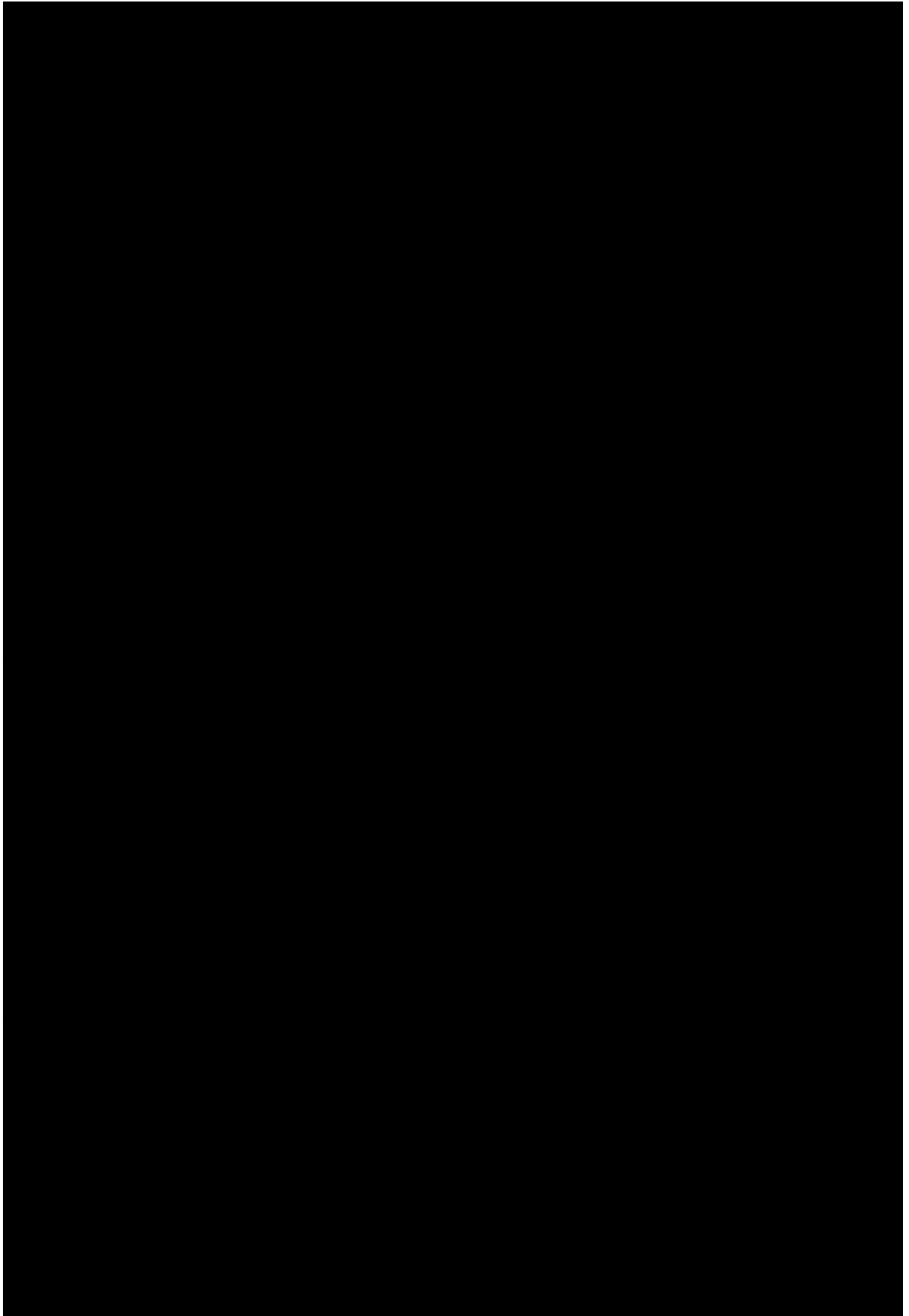


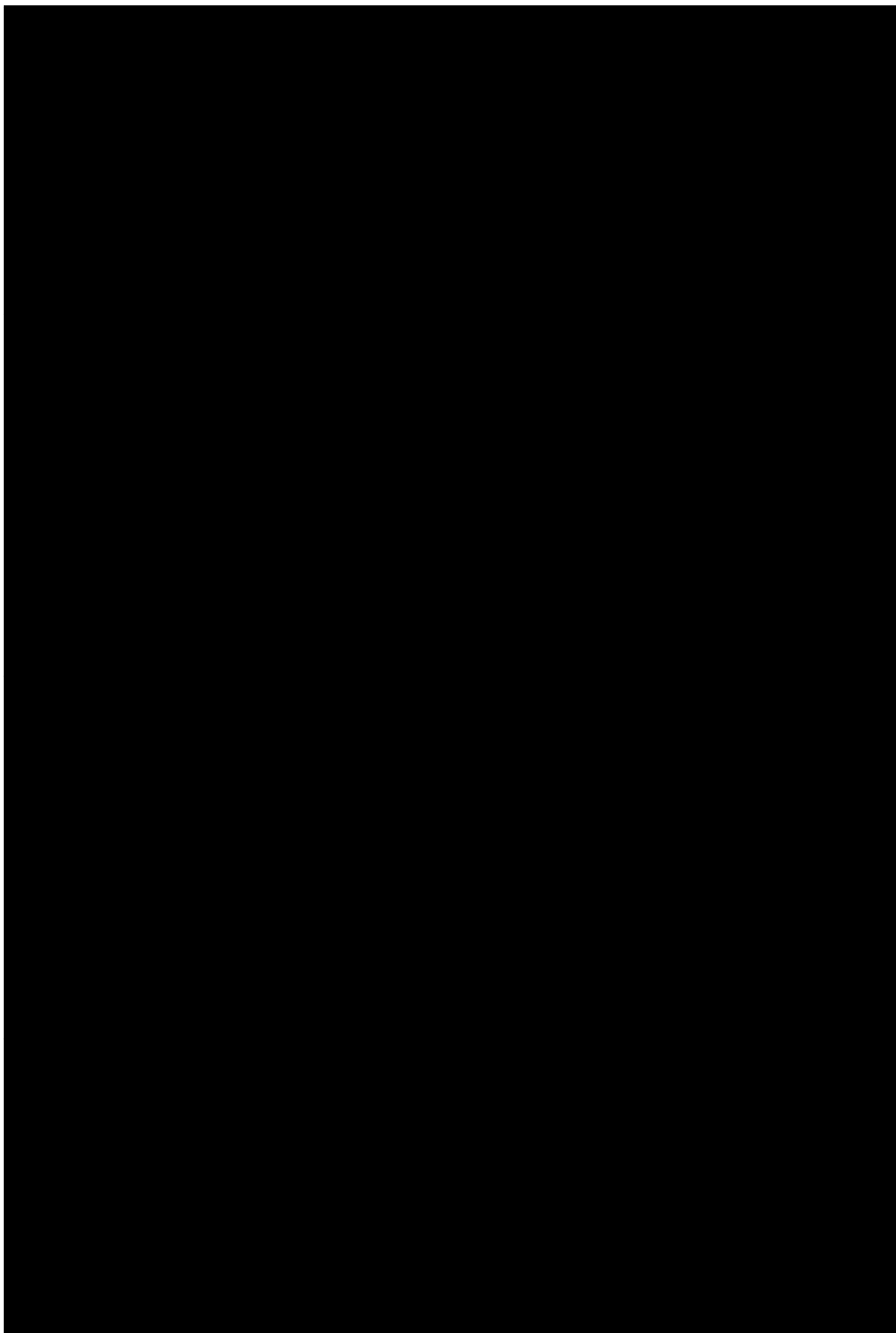


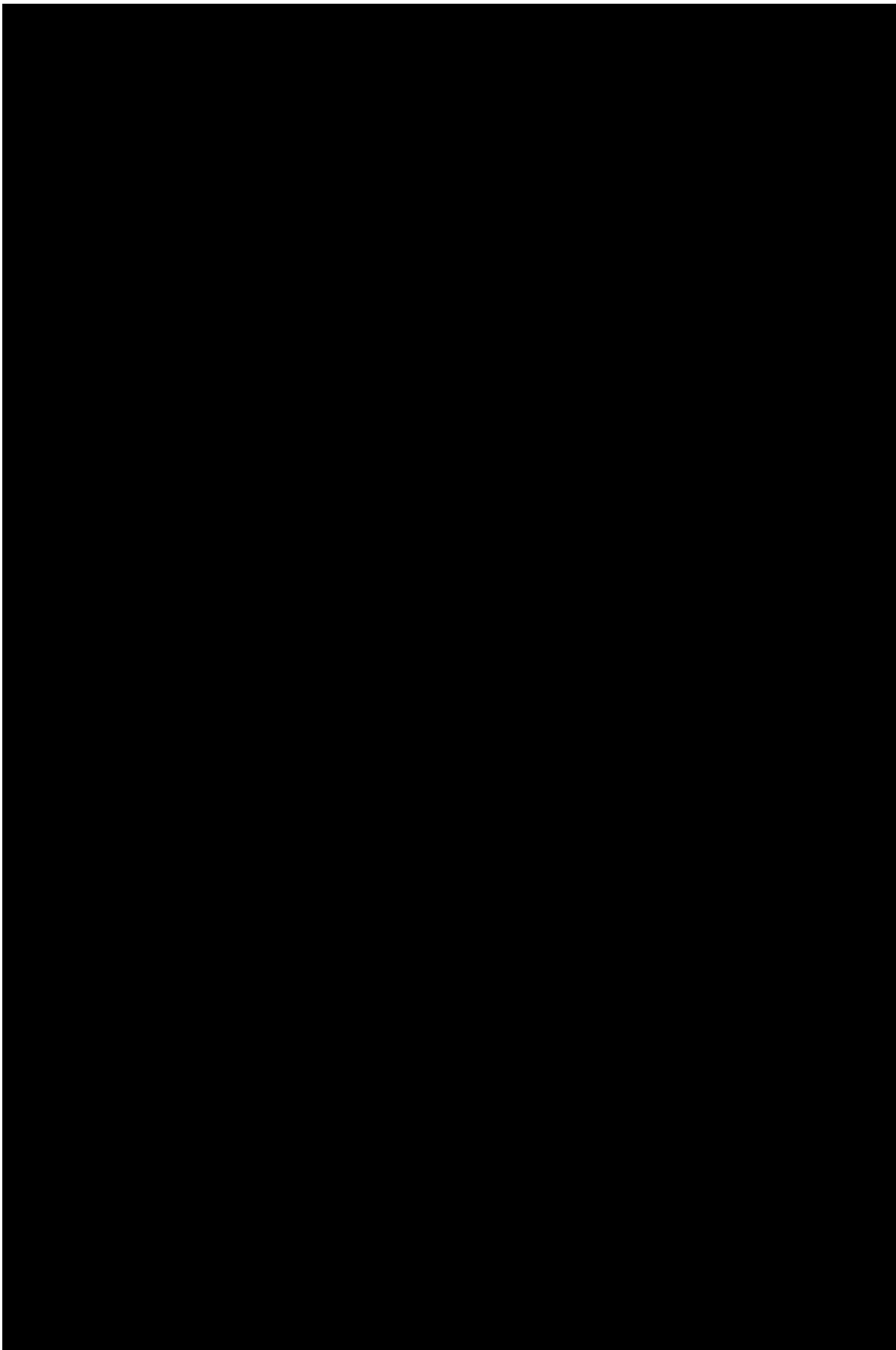




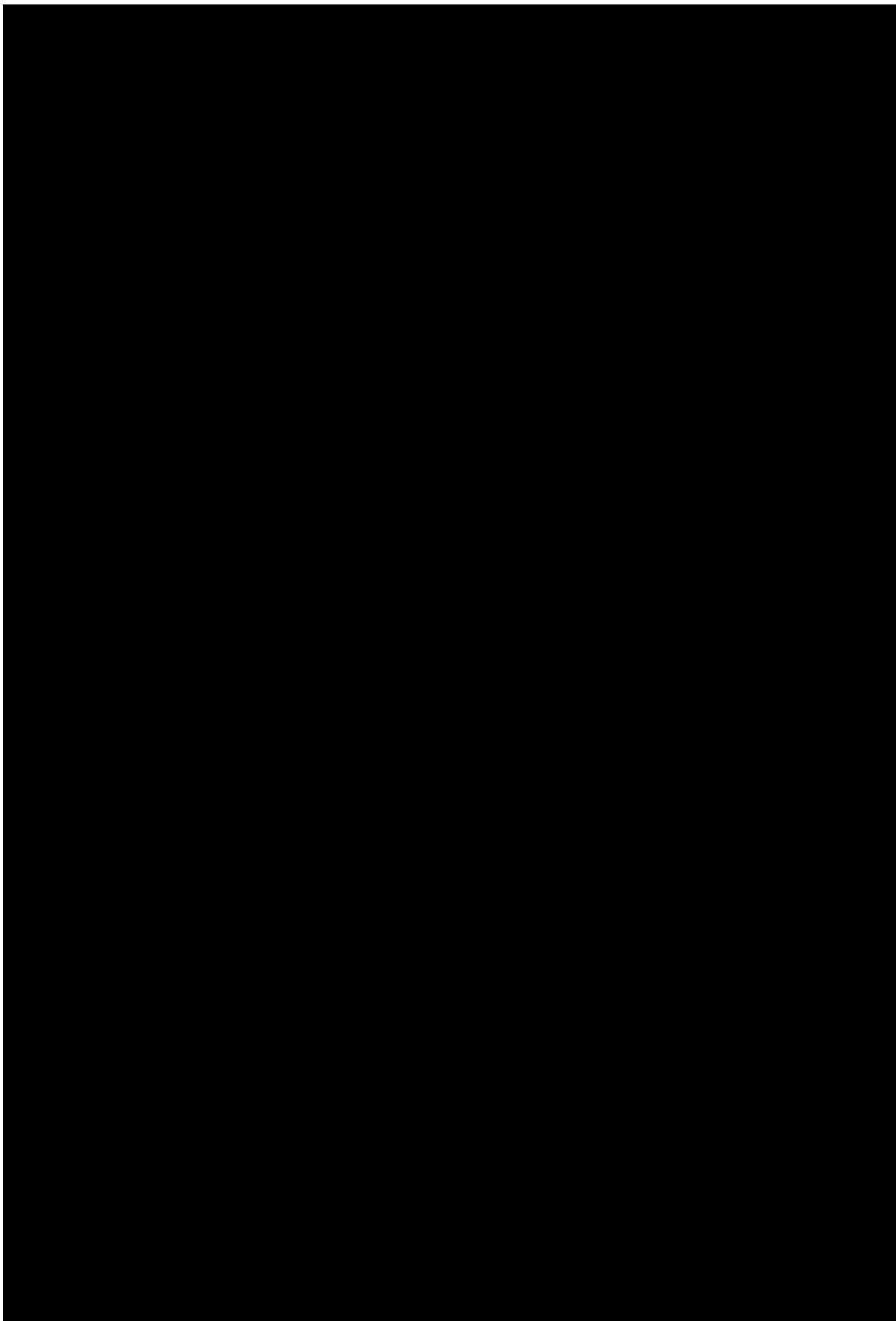


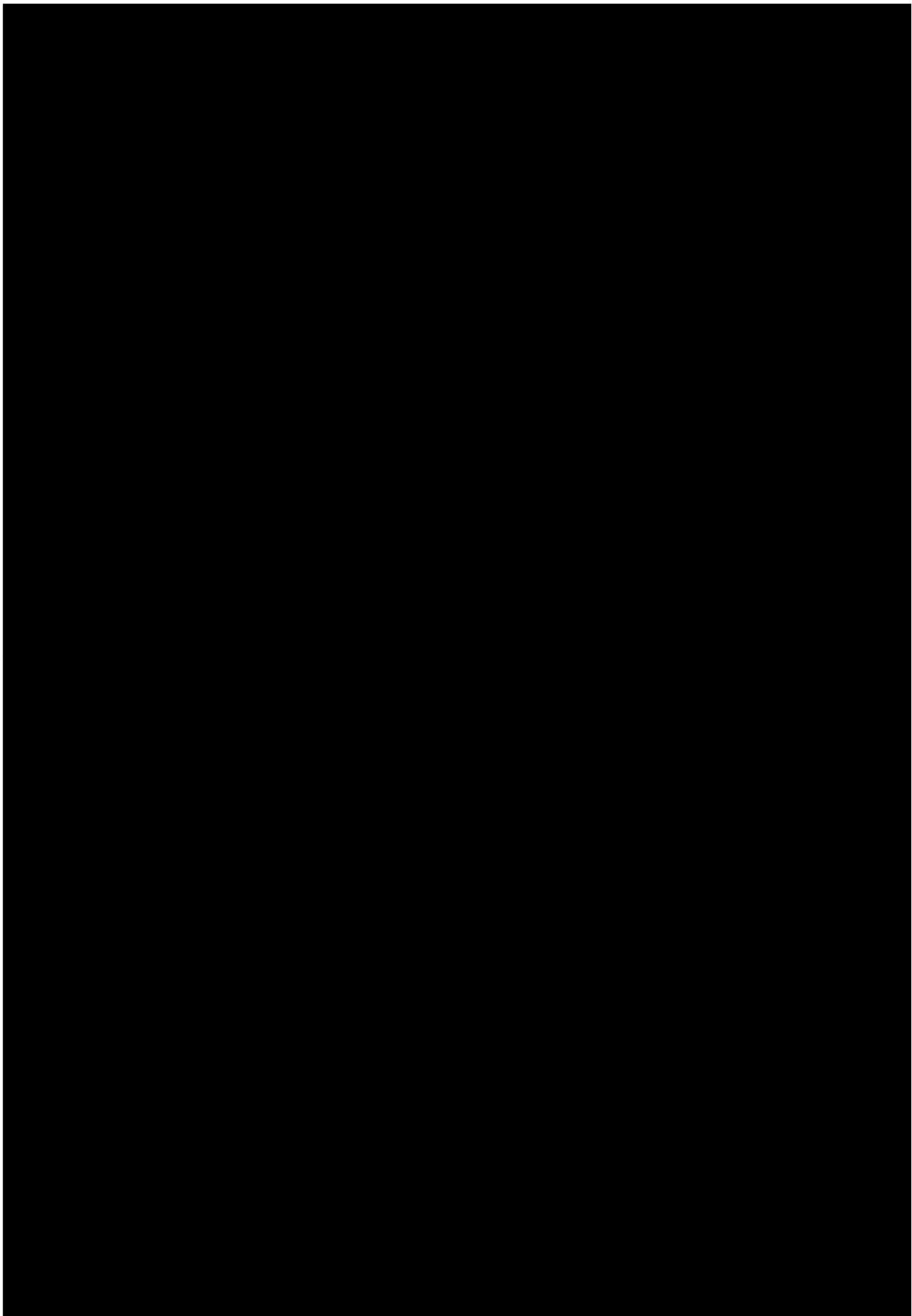


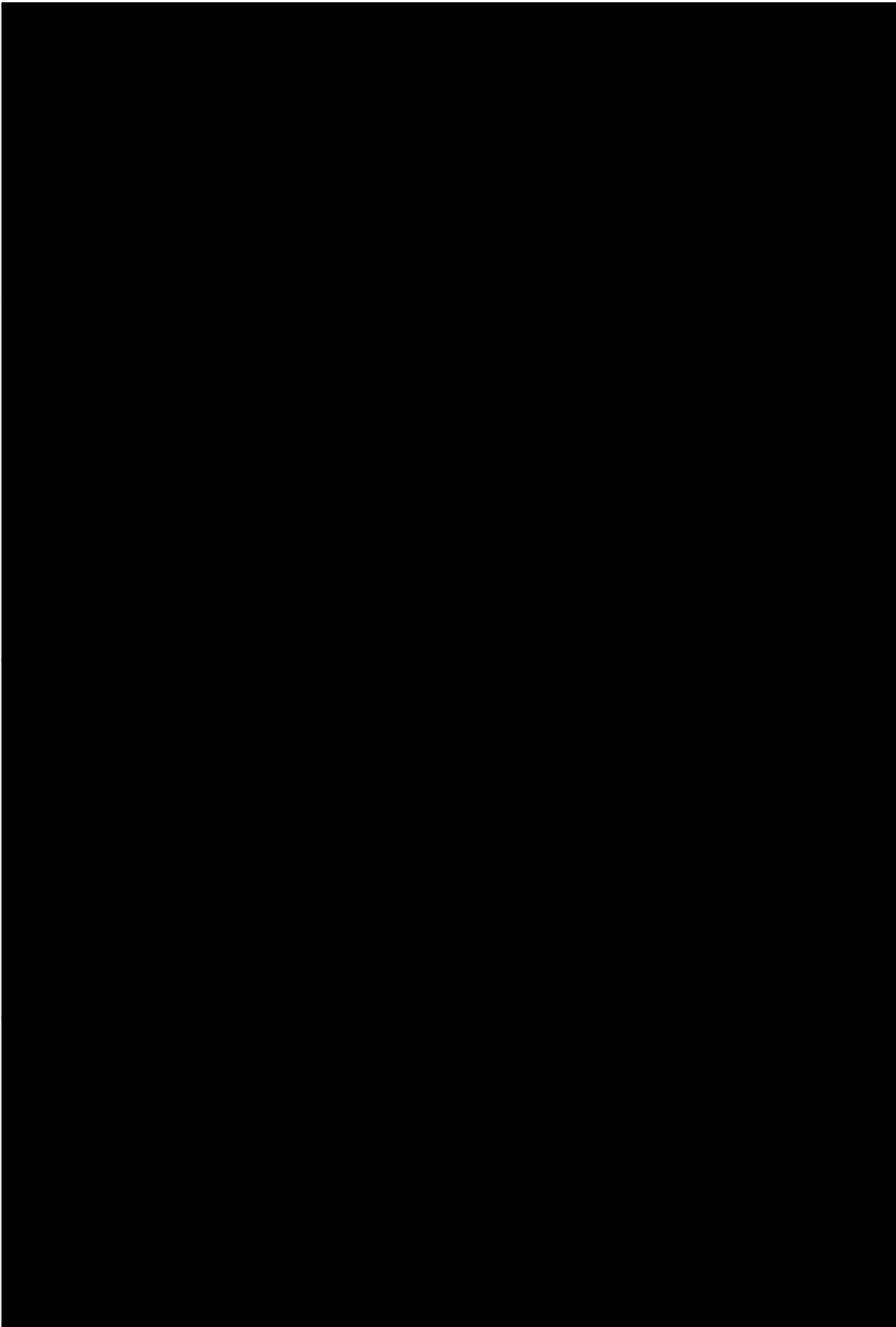


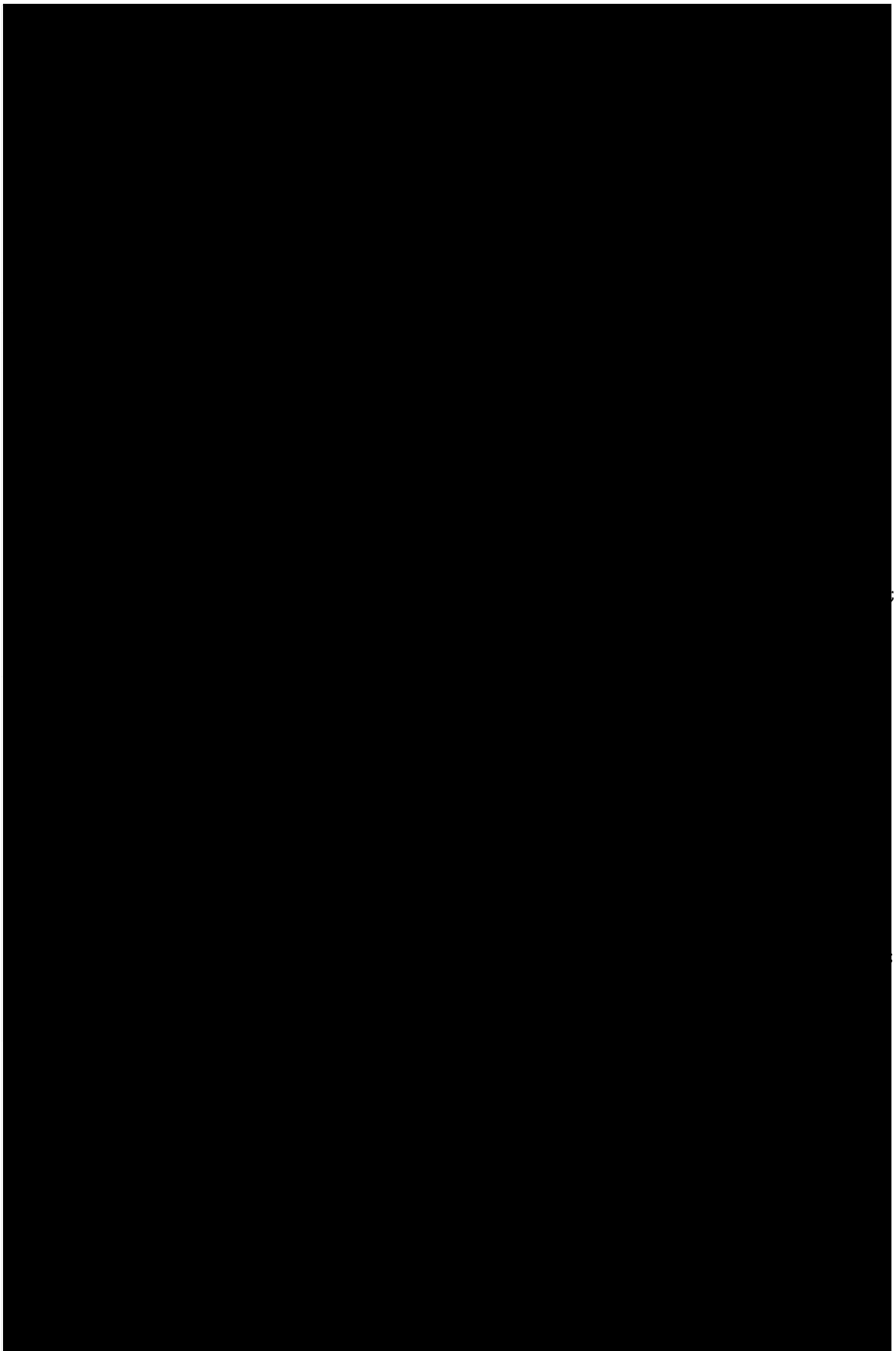


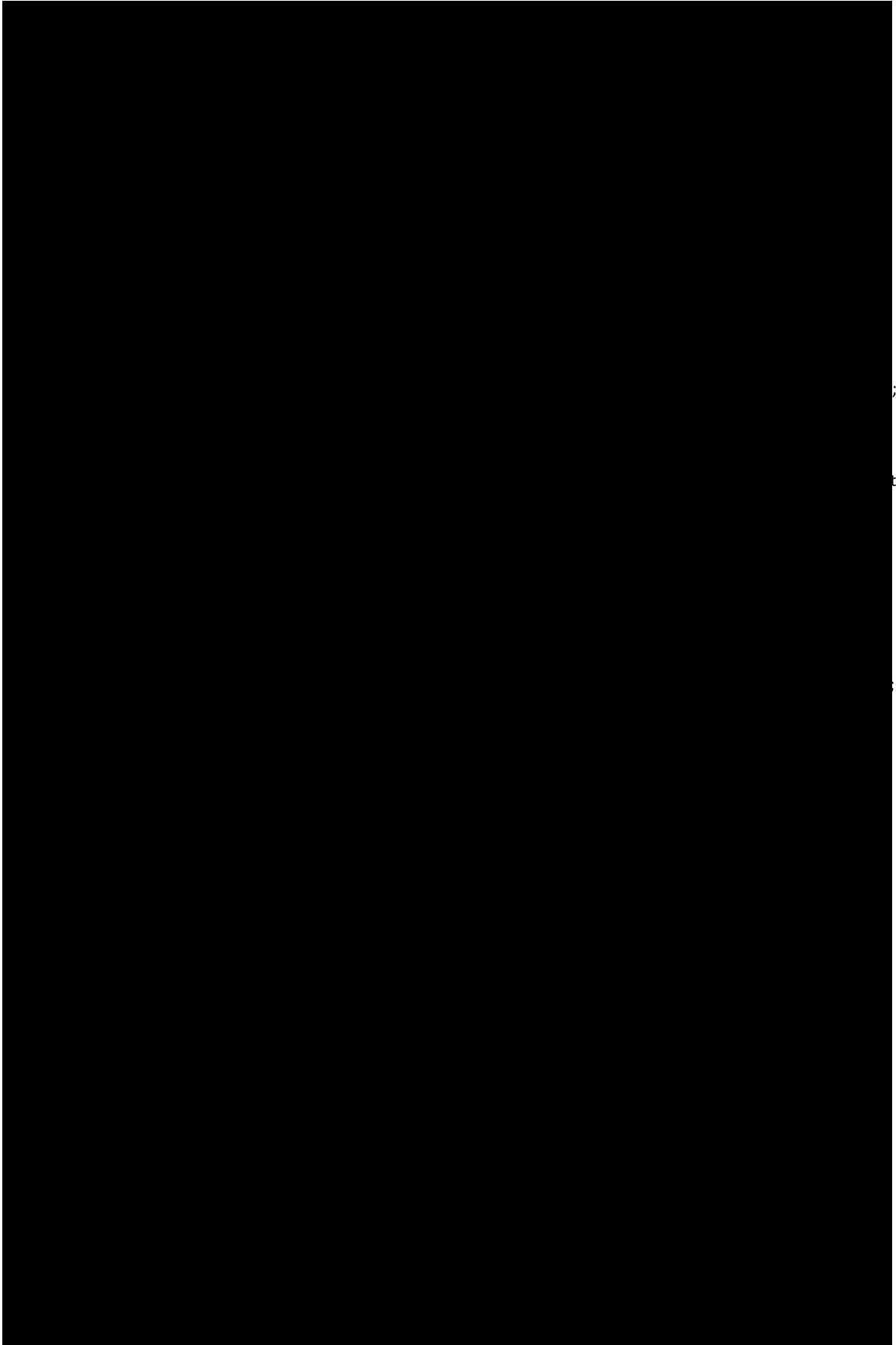


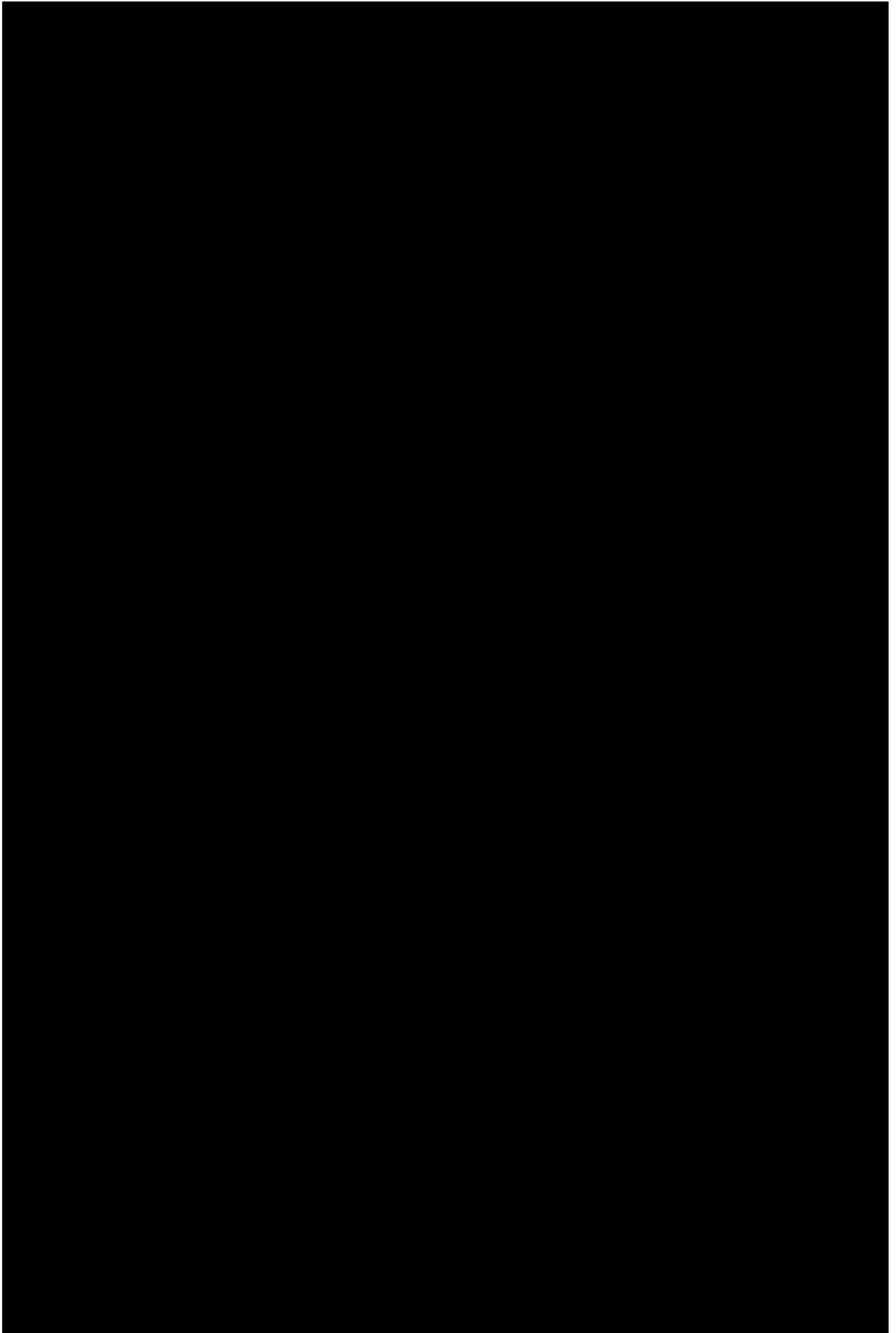


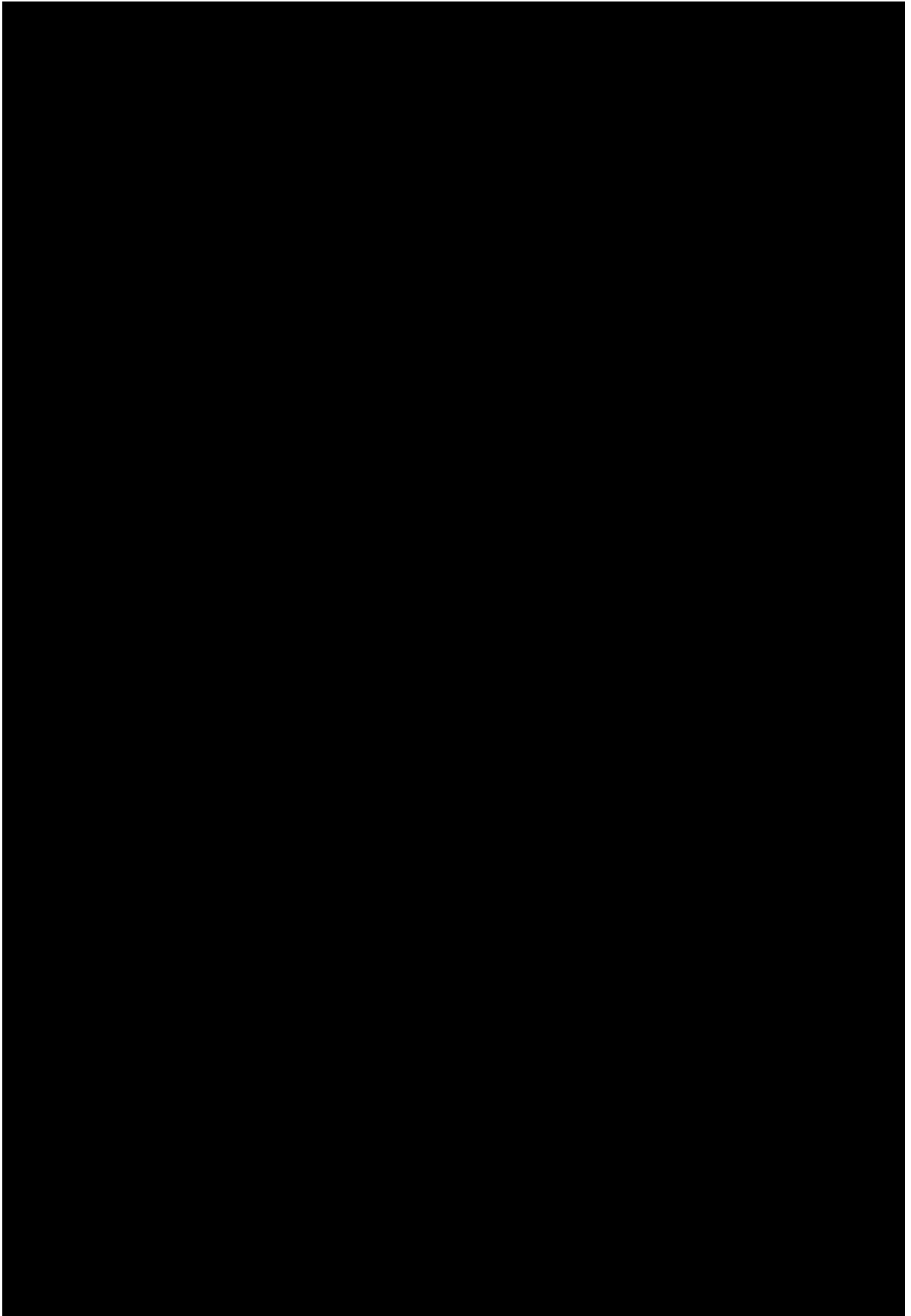


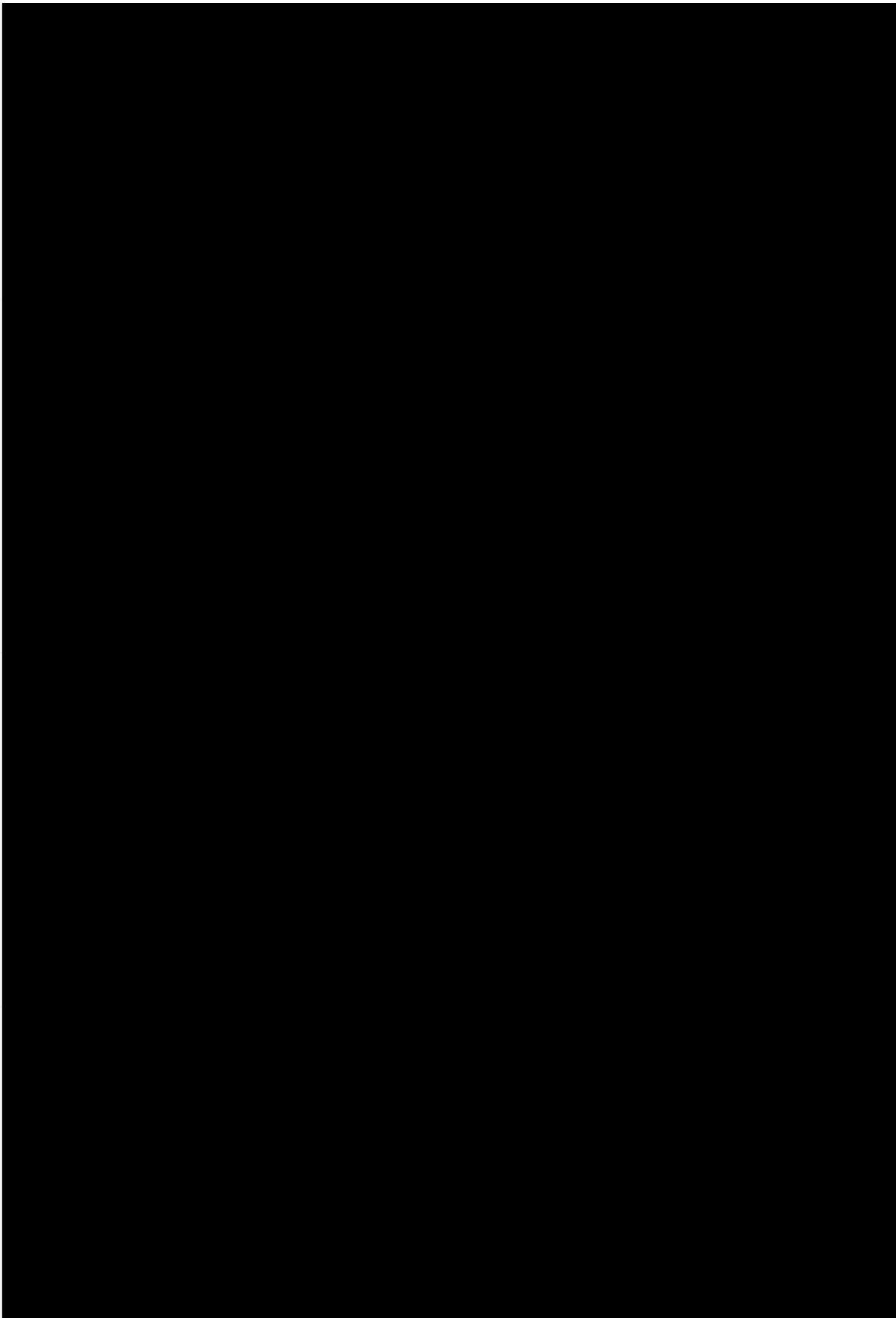




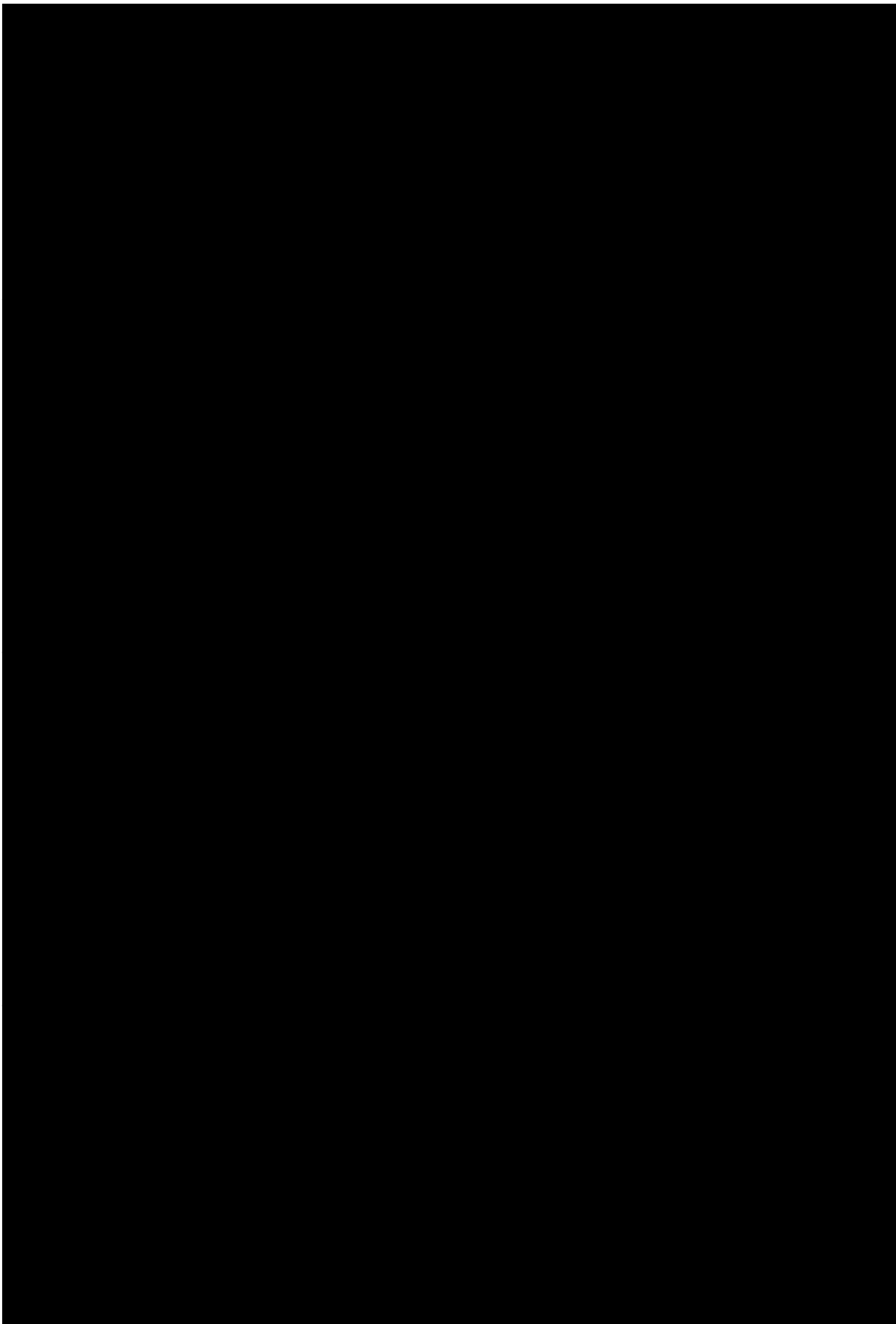


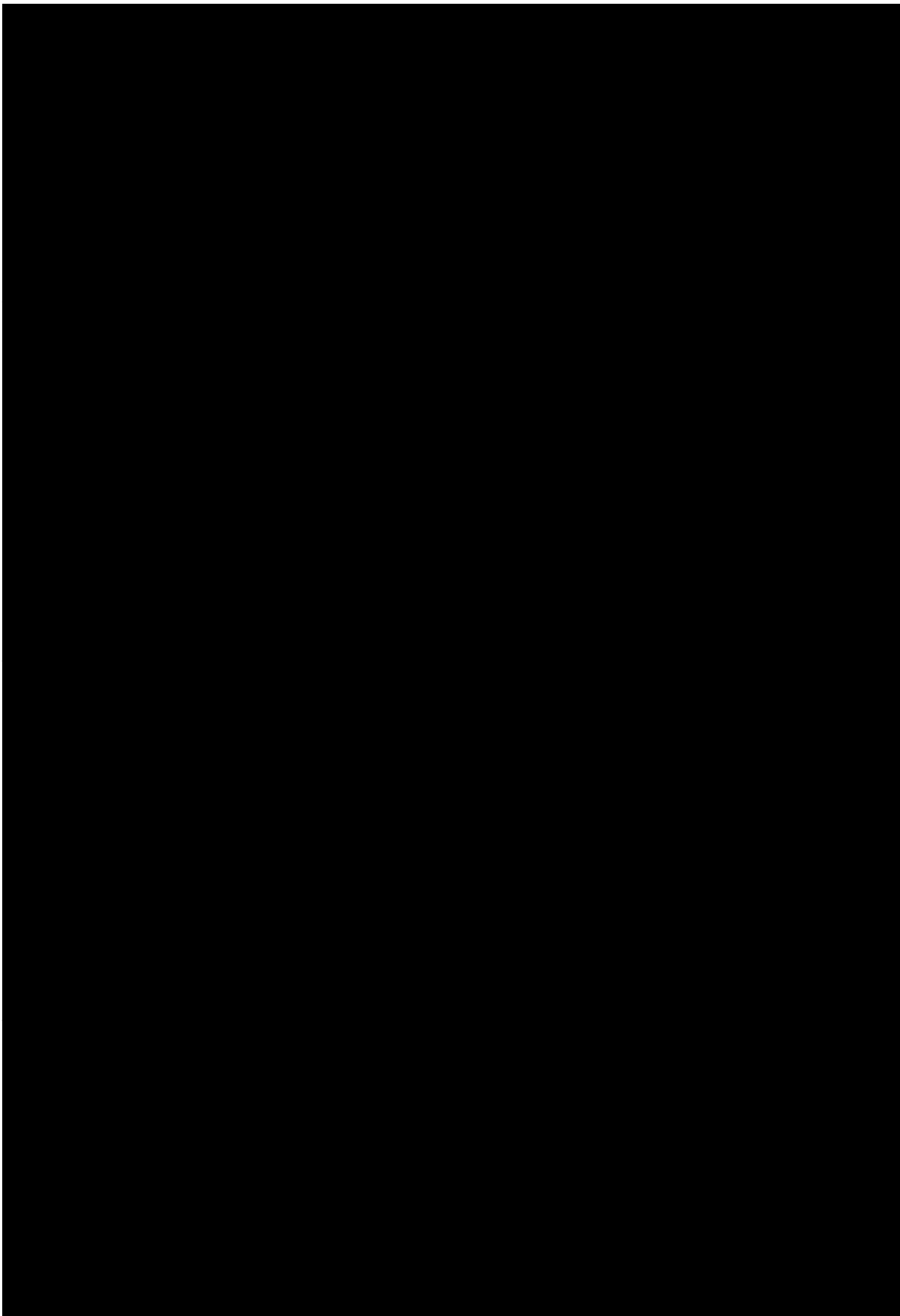


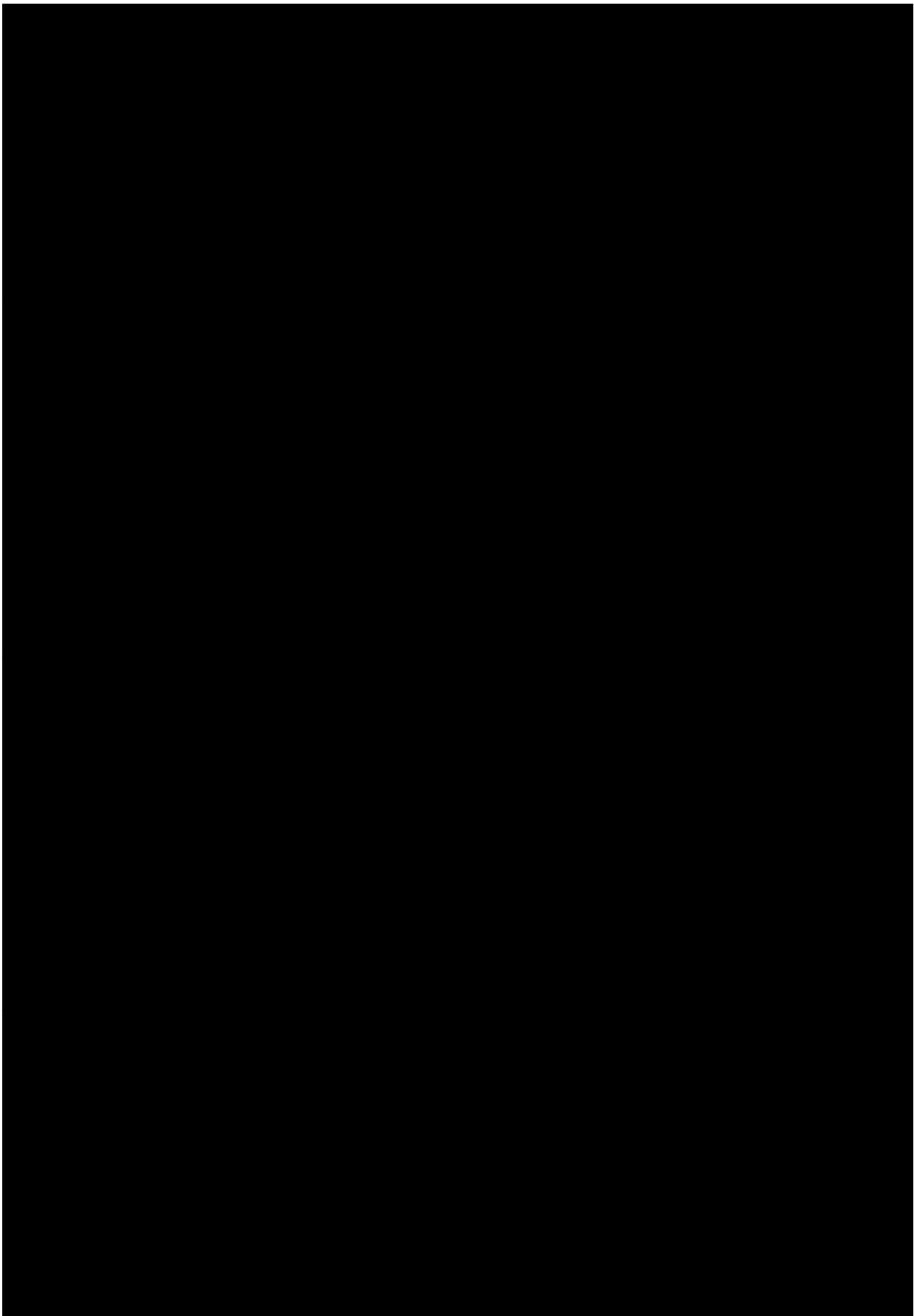


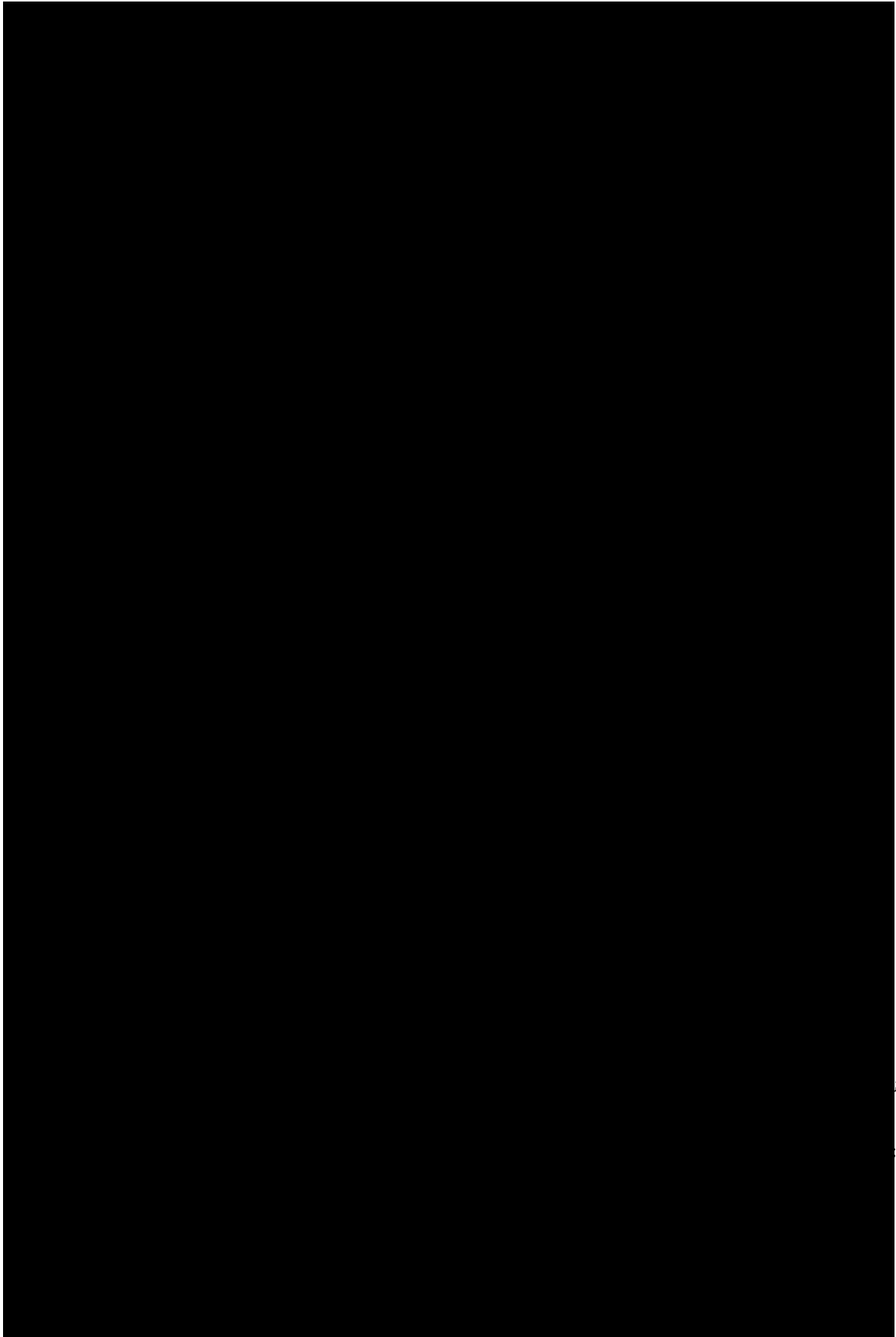


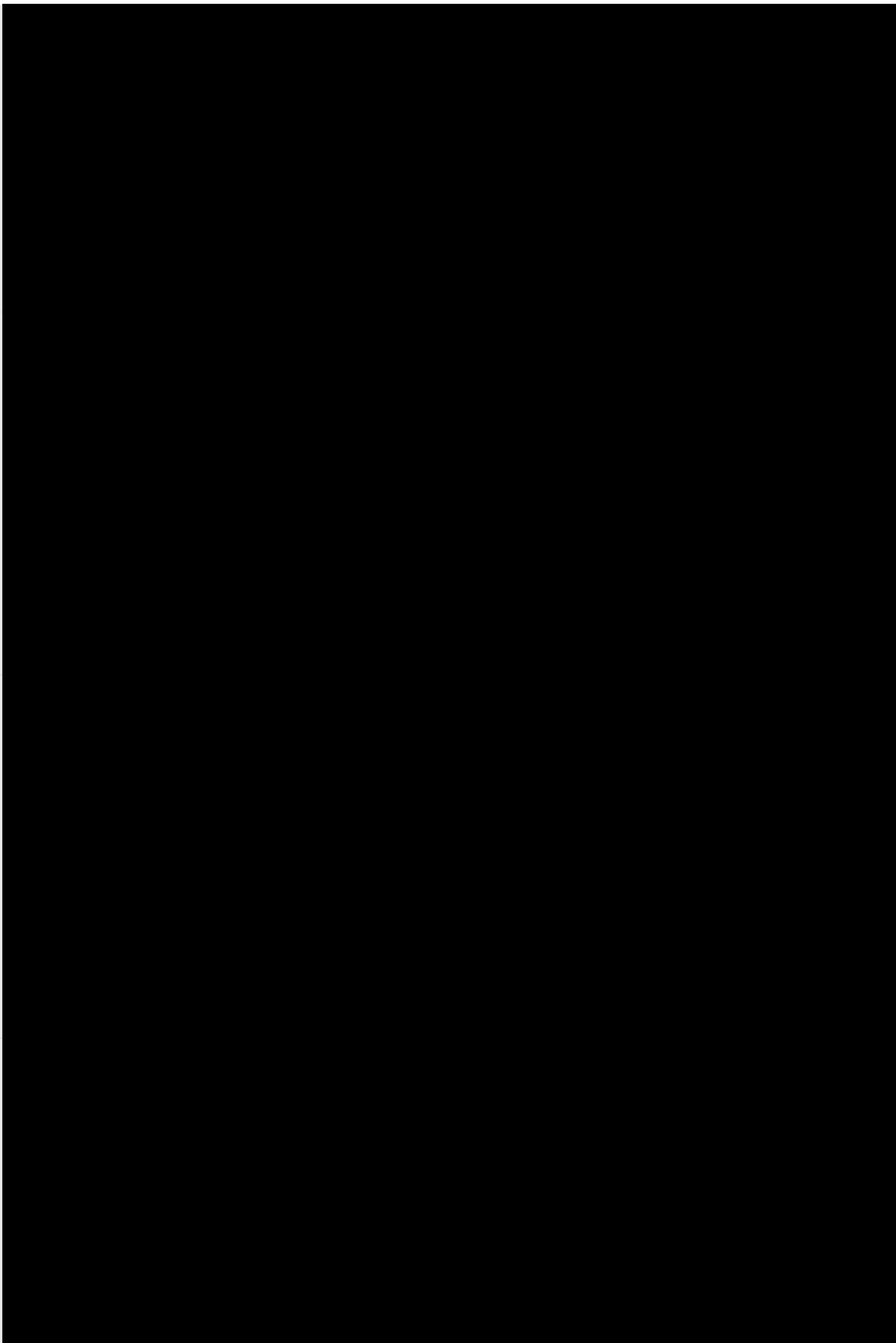


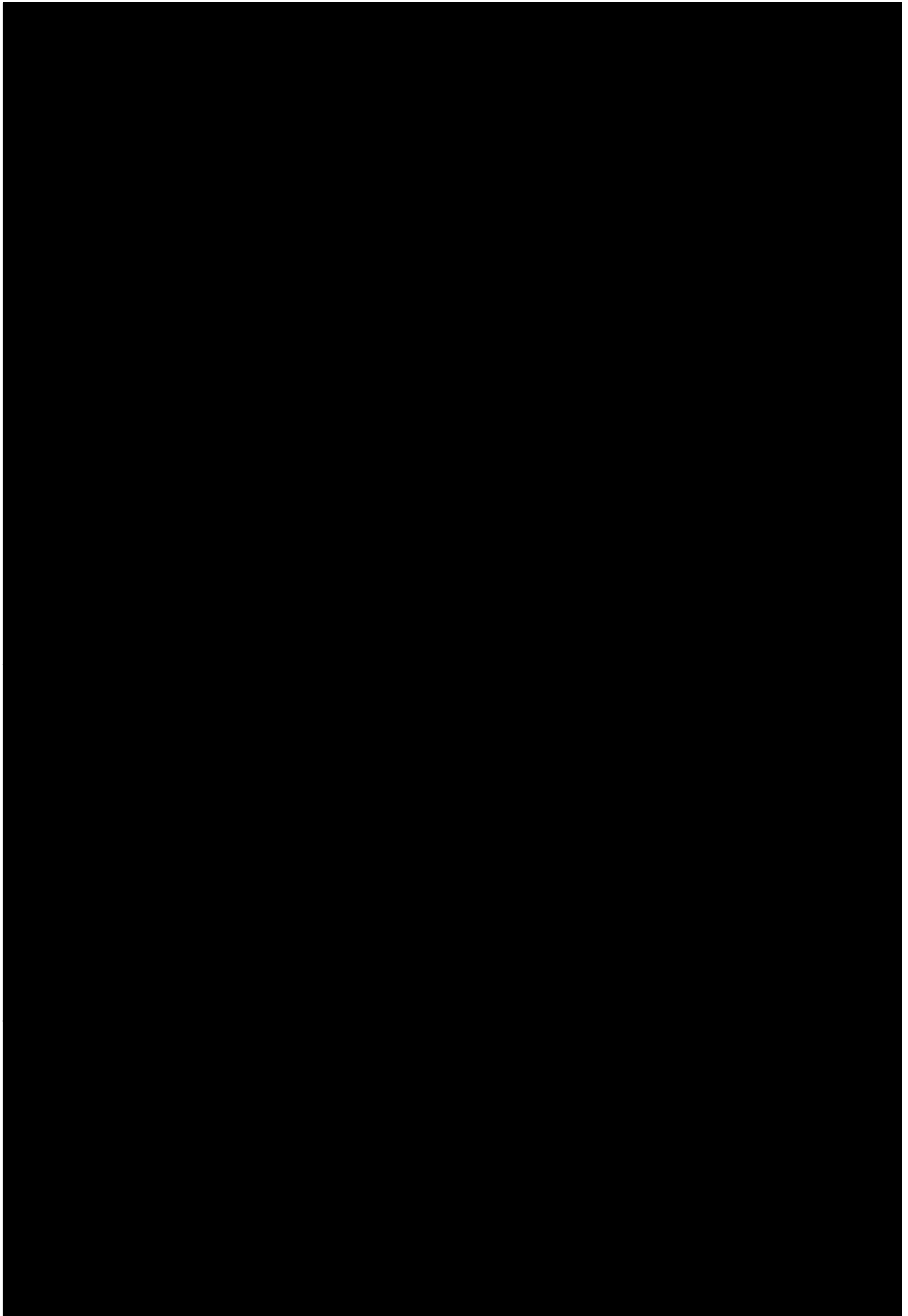


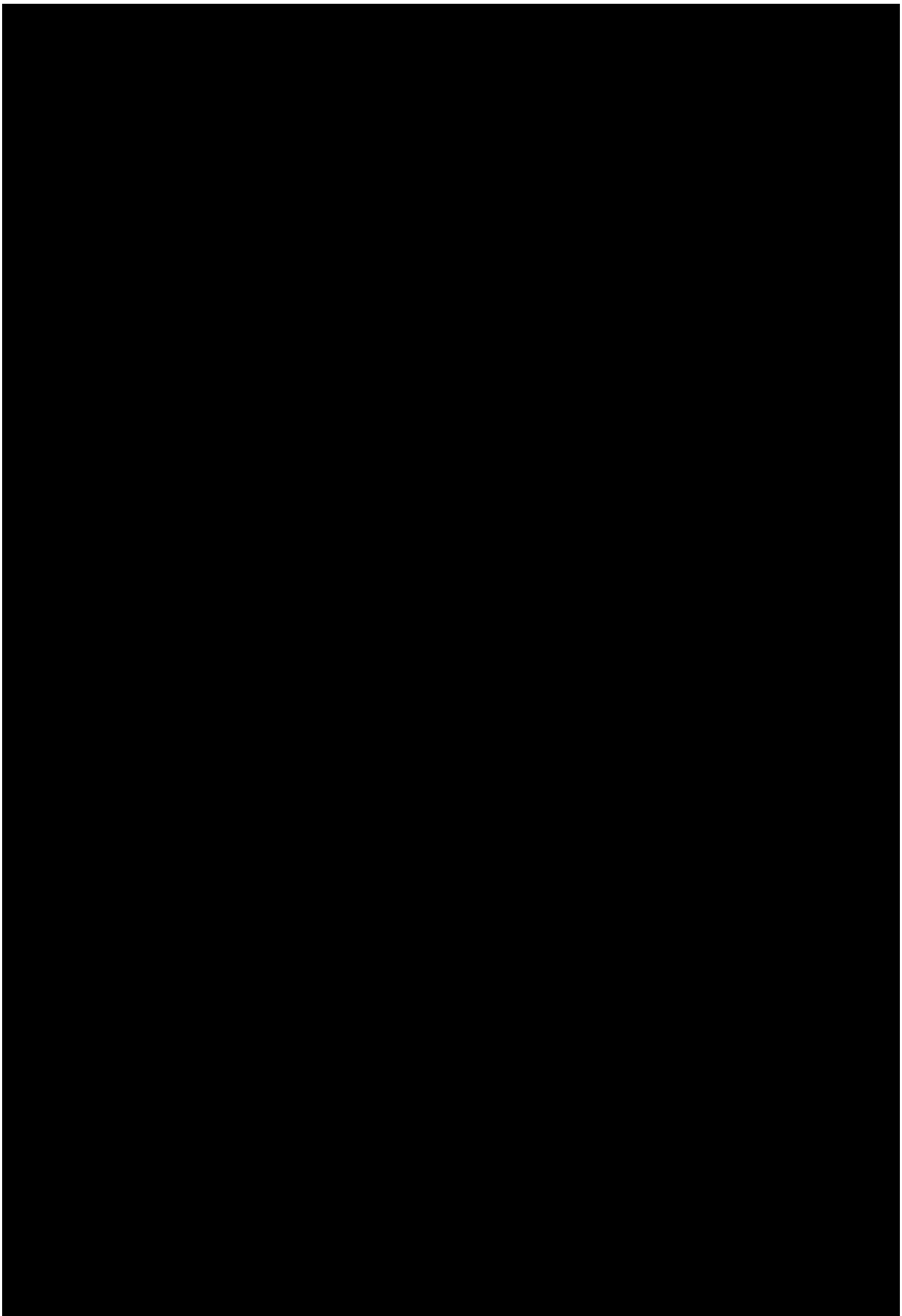


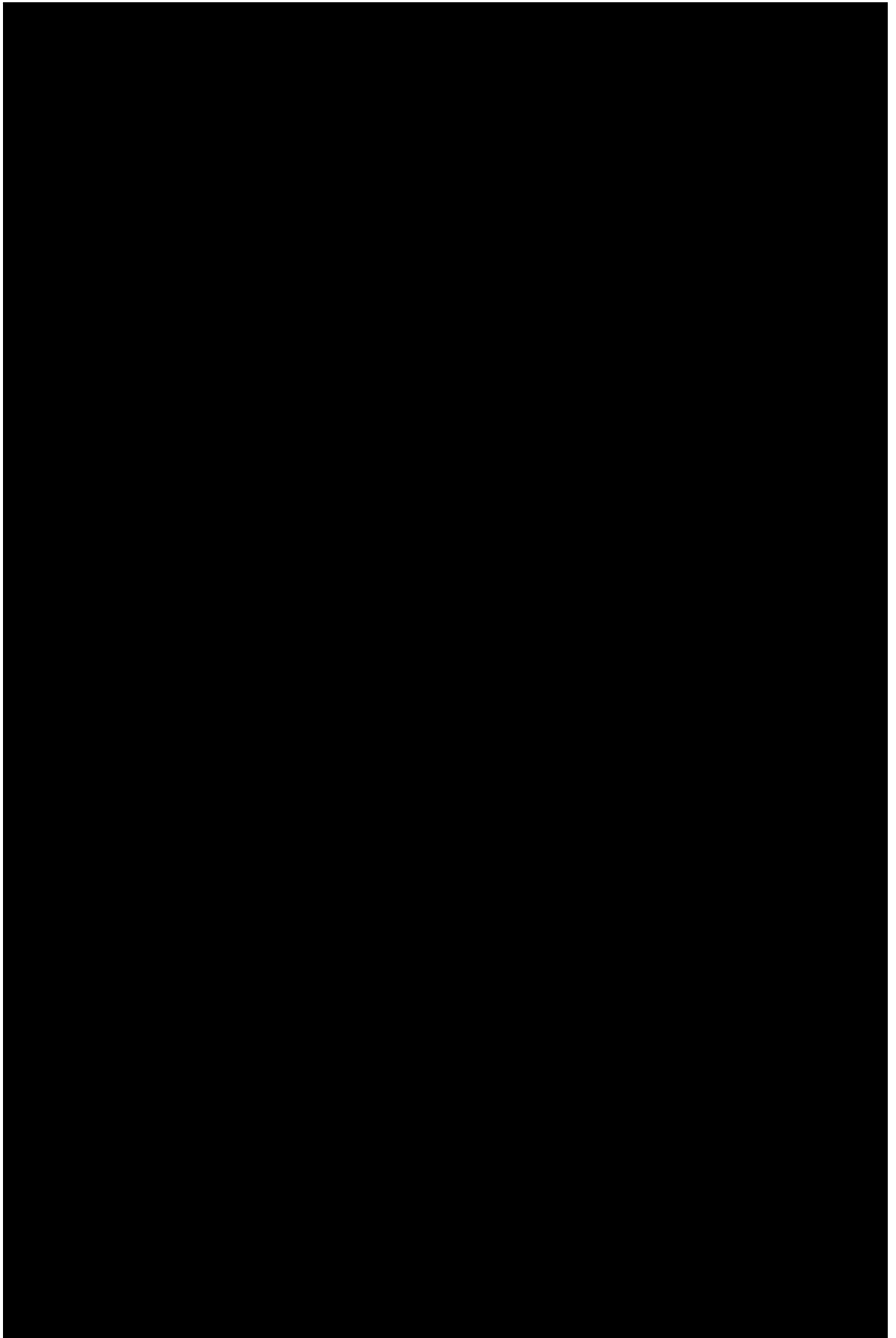




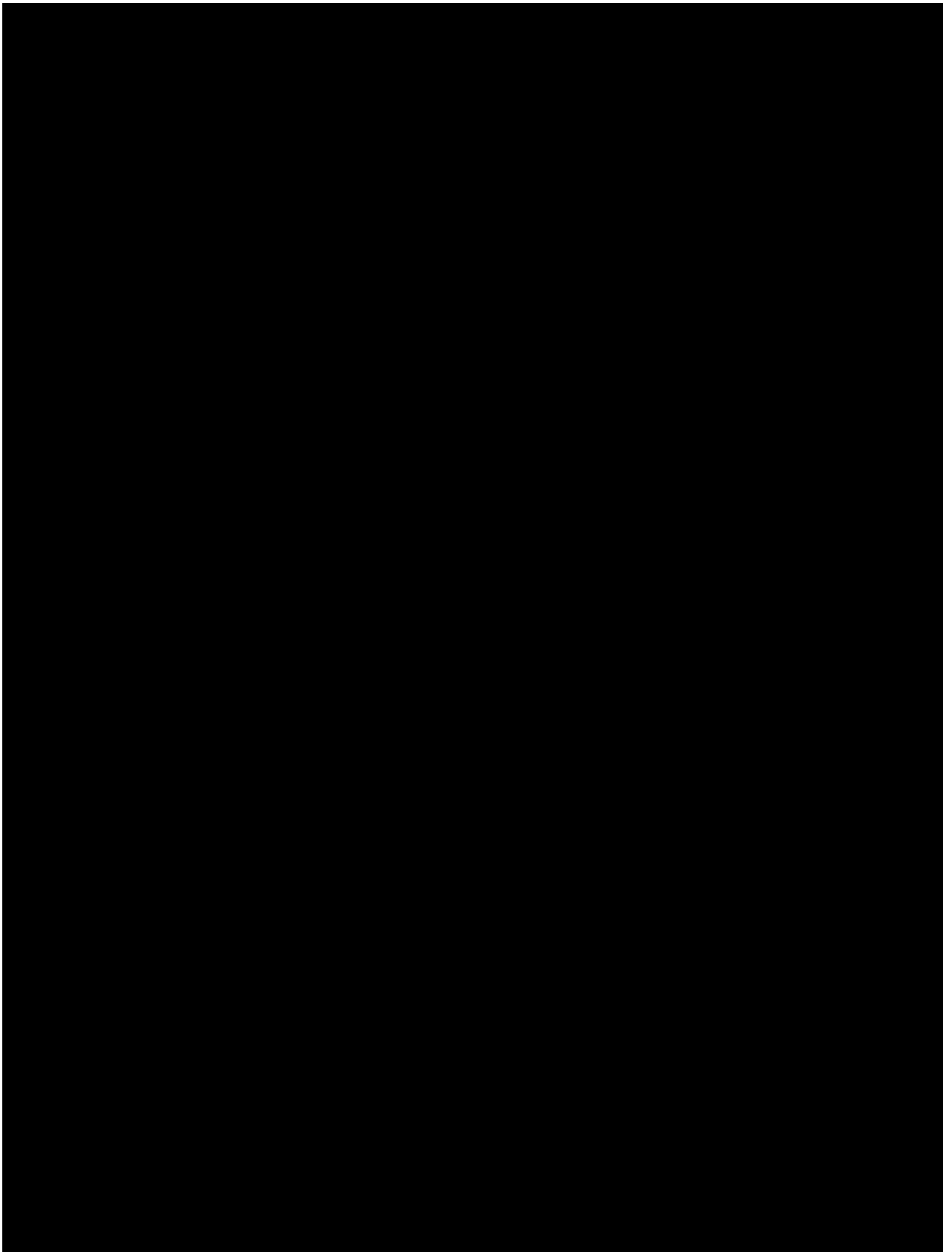












**Subject:** RIDE THE WAVE CALL TONIGHT: Monday, August 27th at 6:30pm PST

**Importance:** High

Hello Team Herbalife!!

Reminder: RIDE THE WAVE CALL

TONIGHT: Monday, August 27<sup>th</sup> at 6:30pm PST

Toll-Free: 866-394-0693

International: 706-634-5671

*Featuring...*

Tim Hendricks, *Executive President's Team*

*And...*

Nathan & Michelle McHone, *Millionaire Team*

Dr. Josh & Jill Baumgartner, *GET Team*

Kathy & Loren Newton, *GET Team*

Carlos Prieskorn, *Active World Team*

***Ride the wave to Extravaganza 2012!***

Level Ten Herbalife Leaders sharing STS success  
secrets to take your business to Level Ten!

***Ride the momentum of the Herbalife STS Wave!***



**RIDE**  
THE WAVE



**RIDE THE WAVE --- Promotion Call**  
**Monday, August 27<sup>th</sup> at 6:30pm PST**  
**Toll-Free: 866-394-0693**  
**International: 706-634-5671**

*Featuring...*

**Tim Hendricks**  
*Executive President's Team*

*And...*

**Nathan & Michelle McHone**  
*Millionaire Team*

**Dr. Josh & Jill Baumgartner**  
*GET Team*

**Kathy & Loren Newton**  
*GET Team*

**Carlos Prieskorn**  
*Active World Team*



***Ride the wave to Extravaganza 2012!***

**Level Ten Herbalife Leaders sharing STS success  
secrets to take your business to Level Ten!**

***Ride the momentum of the Herbalife STS Wave!***



*Nutrition for a better life.*

Thank you!! We look forward to having YOU and your Team on the call!

Please ***forward*** this message to ensure your Team dials in!!!  
(This message has been emailed to World Team and above!)

Kristin Fauth | Sales & Strategy Associate Manager | North American Sales & Strategy Support

Herbalife | 950 W 190th Street, Torrance, CA 90502  
310 410 9600 x 22029 | Direct 310 258 7109  
Fax 310 258 7144 | [kristinf@herbalife.com](mailto:kristinf@herbalife.com)

[www.herbalifeevents.com](http://www.herbalifeevents.com)

*\*\*If you wish to opt out of receiving further emails, please respond with "Do Not Send" in the subject line. Thank you\*\**

# COMPOSITE EXHIBIT 1



## MIAMI, FL

### Success Training Seminar

August 6<sup>th</sup> 2016

#### AGENDA

**6:00am** Production Team & Pre-meeting.  
**7:30am** Speakers Meeting  
**8:30-9:45am** Leadership Section (Supervisor and up)  
**Doors Close at 8:45am**

**10:00am** HOM Free For Guest Only

**12:00pm** Lunch

**12:15-3:00pm** Seminar (members with entry fee only)



### Karim Ali

Millionaire Team Member

Before Herbalife I was an over worked Sports Director with very poor eating habits. I was a personal trainer by day and a struggling Hip Hop Artist by night. Working consistently thirteen to fifteen hours per days, it was still difficult to meet all expenses. In October 2012 I decided to start taking Herbalife Nutrition. The tea gave me an amazing burst of energy and the cookies and cream shake was so delicious. After attending Extravaganza, I jumped on the Herbalife 24 line, and started seeing drastic changes in my body almost instantly. Along with my amazing transformation, managing to drop my body fat by 10% and a total gain of 39lbs of lean muscle mass, my family started getting outstanding results as well. All of it led to match my income in only two months without really understanding the business fully. Just by recommending the nutrition to my circle of influence and my local community, I was generating over \$4000 extra. In January 2013, after another amazing event, I was so blown away by the testimonies that I decided to quit my job and take this business to the next level.

#### Special VIP Seating and Treatment

- To qualify for VIP for this STS it is 10,000 Personal Volume Points in the month of July 2016
- To SEAT VIP:  
MUST EMAIL PROOF (take a picture of your name and July's TVP) to [miamivipsts@gmail.com](mailto:miamivipsts@gmail.com)  
NO LATER THAN August 3<sup>rd</sup>



Like us on:  
**facebook.** MIAMI STS

#### VENUE:

Double Tree by Hilton Hotel Miami  
Airport & Convention Center  
Room: MAAC  
711 N.W. 72<sup>nd</sup> Avenue, Miami, Florida, 33126



#### NEXT EVENTS

STS Sept 3<sup>rd</sup>



#### STS Entry Fee:

Pre Sale: 4X\$100 or 1x\$30 or \$40 at the door (cash only)  
New Members /Residues: ask those who registered last month or this month





# HERBALIFE.

## Phoenix, AZ STS

### February 22<sup>nd</sup>, 2014

#### Guest Speaker



**Global Expansion Team  
Future President's Team Qualifier  
Maigan Graham**

Before Herbalife I was on the college eating & drinking plan with no energy & daily migraines. In 6 weeks I lost 21lbs with NO exercise! Inspired by my results, my friends & family began the products too. Once We realized how life-changing these products and business opportunity were I quit my internship @ the states attorneys office and decided ditch law school to pursue the Herbalife business opportunity full time! My first check was \$61 and two years later I earn over \$7,000 + every single month! I've traveled with the company and trained all over the US and in Puerto Rico--- I love the Herbalife healthy- Active FREEDOM lifestyle. I work harder on myself and care more about others results than money. I pause in gratitude and pinch myself everyday.. I can hardly believe what can be created with the simplicity of Herbalife in two short years! I am becoming a better version of myself & enjoying every step of the journey to Founder's Circle! I'm in for life!

#### Location

**LOCATION CHANGE**  
DoubleTree by Hilton Phoenix-Tempe  
2100 S Priest Drive, Tempe AZ 85282

#### Agenda

8:15am – 9:15 am	TAB & WT Meeting
10:00am – 11:50am	HOM & Product Training* *FREE to your Guests
12:00pm – 4:00pm	Success Training

#### Price

\$30.00 – Online Advance Tickets  
([www.ThePhoenixSTS.com](http://www.ThePhoenixSTS.com))  
\$40.00 – @ Door

Visit [ThePhoenixSTS.com](http://ThePhoenixSTS.com) to pre-register.

**[www.ThePhoenixSTS.com](http://www.ThePhoenixSTS.com)**



**HERBALIFE.**

*Making the world healthier.*



# HERBALIFE.

## Success Training Seminar

Miami, Florida

June 22, 2013



### President's Team Member 2 diamonds 15k

For almost eight years, Michael Burton and his wife, Michelle, owned a small chain of used-car lots. It was a tough business, and 70 to 80 hours a week was typical for Michael. "I felt like I was married to the car lot," he remembers. "Dealing with employees and salesmen felt like running an adult day-care center. We ended up going bankrupt, but that turned out to be the best thing that could have happened to us."

"We were making about \$7,000 a month at the car lots."

"My wife's parents, James and Carole Wood, introduced us to Herbalife, and James encouraged me to sign up with him. I was totally against the idea and didn't want to have anything to do with it," Michael admits, "but he and Carole invited me to a Success Training Seminar anyway. After I got back home, I told Michelle that I'd just found what we were going to be doing for the rest of our lives!"

The next day they became Distributors and the day after, Supervisors.

"The only way to be successful is by having a specific goal," reminds Michael, "and by using the products, I lost 44 pounds in the first two months and went from a size 40 waist back to a 32. Can you believe I thought I was only 15 pounds overweight? Now the lifestyle is truly incredible, enjoying financial freedom traveling the world."

### HOTEL MARRIOTT AIRPORT Miami

1201 NW LEJEUNE ROAD, MIAMI, FL 33126

**Saturday 23 :** 7:30am - Production Team & Pre-meeting

9:00am - HOM (Herbalife Opportunity Meeting) FREE

11:00am - Lunch

12:00-3:00pm - Seminar (Distributors with ticket only)

**STS TICKETS ONLY VIA PAYPAL ACCOUNT: [animeja3@gmail.com](mailto:animeja3@gmail.com) DEPOSIT AND SEND TEXT ONLY TO**

**CONFIRM NAME + # NUMBER OF TICKETS TO: Adriana Mejia & Rod Disanto (786)218-2843**

**For all updates and Information about STS Facebook Group: STS English South Florida**

**Pre-sale until Wednesday June 19 1X\$30 or 4X\$100 US. Ticket at door \$40 CASH ONLY**





*December*  
**Boston**  
**STS**  
*Success Training Seminar*



*Special Guest Speaker*



**Lisa Arnold**



*December 12th 2015*  
**Tickets are \$30**  
*Price valid thru December 10th 11:59 P.M.*  
*Boston Marriott, Burlington Mass*

*Lisa Arnold was able to go from a zero dollar income to a 6 figure income in 12 months and she will be sharing in detail exactly how she did so!*

***Purchase your tickets now at [BostonSTS.com](http://BostonSTS.com)***

Incomes applicable to the individuals (or examples) depicted and not average. For average financial performance data, see the Statement of Average Gross Compensation paid by Herbalife at: <http://herbalife.com> and [MyHerbalife.com](http://MyHerbalife.com).  
Designed By Jason M. Brown of JMB Media Group.

# DENVERSTS

INTERNATIONAL PRESIDENT'S TEAM MEMBER

## MIKE CURTIS

Get your tickets online @ [www.denversts.com](http://www.denversts.com)

*Advanced Ticket \$30 or \$40 at the door*

### MAY 18<sup>TH</sup> 2013



By the time they were out of college and working in the real world, Mike and Laura Curtis had about \$40,000 in credit-card and student-loan debt. Every month, they made the minimum payments. Mike remembers, "We had decent paying jobs, but we were living paycheck-to-paycheck."

After Mike's brother told him about Herbalife's fantastic products and business opportunity, Mike decided to see what the Herbalife Business Opportunity had to offer. "I was very negative and skeptical about it," Laura admits. "Thank goodness Mike didn't listen to me."

They both had great results using the products and when their parttime Herbalife income reached \$5,000 a month, Laura quit her job as a banker and Mike left his job in non-profit fundraising.

They work consistently to recruit new customers and Distributors, lead focus groups, attend Success Training Seminars and work with Distributors to make sure they're plugged into the Herbalife system. Following their plan, the couple have made it all the way to the President's Team. Laura exclaims, "We're are truly living our dreams!"



### Agenda:

7:15 to 8:30am: Production setup

8:30 - 9am: Leadership/Speaker meeting

9am to 9:45am: World/TAB Team leadership meeting

10am to 12pm: HOM-Herbalife Opportunity Meeting and Product training

**\*FREE to all invited!!**

12pm to 4:30pm: STS= Success Training Seminar

### Denver Marriott South

10345 Park Meadows Dr. Denver, CO 80124  
(303) 925-0004



### Qualifications:

(in March)

VIP Seating= 7,500VP

Top Achiever's Dinner=10,000VP





# Tampa Bay STS

**Both Markets = One Mega Event**



**HERBALIFE.**  
Independent Distributor

**December 19, 2015**

7am - Production Team Mtg  
8am - World Team Workshop  
9am - Supervisor School  
10am - HOM (free for guests)  
12pm - Lunch Break  
1pm - General Session

\*\*\*NEW VENUE\*\*\*

**Hilton Tampa Westshore**  
**2225 N. Lois Ave**  
**Tampa FL 33607**

## Purchase Tickets

[ststampabay.weebly.com](http://ststampabay.weebly.com)

Single Online Ticket: \$25

Ticket at the Door: \$30

Last Day Online Dec 17

## VIP Experience

\*New Supervisors that  
qualified in November

\*Fully Qualified Supervisors  
that had over 7,500 VP  
in November

VIP QUALIFIERS BY DEC 17  
—SUBMIT ONLINE—  
[www.ststampabay.weebly.com](http://www.ststampabay.weebly.com)

## Disney & Jorge de la Concepcion, Jr

20K Executive President's Team



*\_fitcouple\_* Before Herbalife they were working as Bartenders and models. Although they weren't doing bad, they always dreamed of a better future and financial freedom. They found Herbalife through Jorge's parents and because of their results started to take the products. They always worked out and had an active lifestyle and even though they had potential to do the business but that never interested them. Jorge especially didn't believe in Herbalife as a business and thought it was a scam. They kept taking the products and became members with the purpose of getting a discount and wanted to some how help Jorge's parents who had a very bad economic situation. Little by little, people were getting interested in the products without them even promoting it and that's what opened their eyes to the business. Since the moment they decided to work the business they went full force and gave 100%. As a result, in 6 months made their first cut to GET team and in just 9 months fist cut to Millionaire team. After doing Herbalife for just 21 months they were able to reach Presidents Team. along with Jorge's parents!!!! The most important part is that they are able to stay at home with their kids and spend every moment with them because of the lifestyle they have earned! " For us Herbalife has been the best thing that could have happened and we will be forever grateful for this company!"

[www.ststampabay.weebly.com](http://www.ststampabay.weebly.com)



## January Kick Off

The Weston Lake Mary  
2974 International Pkwy  
Lake Mary, FL  
**January 16th**

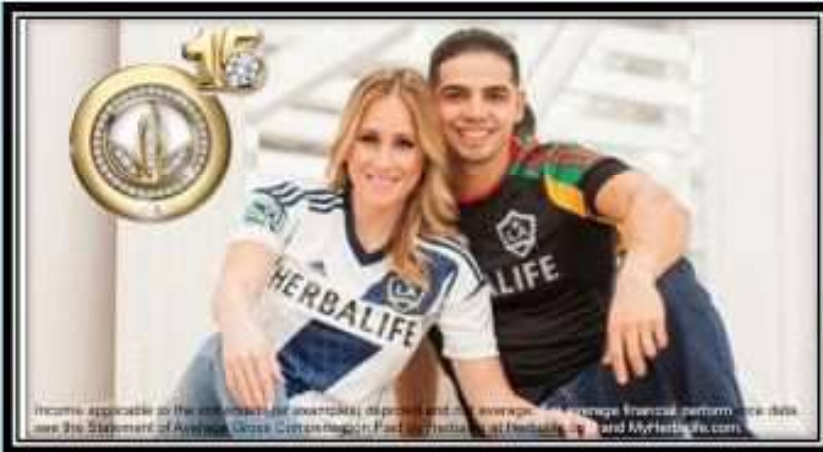




## PALM BEACH, FL.

### Success Training School

March 26, 2016.



### *Ximena Betancourt-Mejia*

15K Executive President Team Member

Before Herbalife I was an electroencephalogram tech. I worked long hours and my schedule was unpredictable due to being on call 24/7. At age 26, I found myself 30 pounds overweight, fatigued, and lacked passion in the area of profession. Luckily Herbalife was introduced to me on Dec 2011. Although extremely skeptical I decided to give it a try. I began taking the products and felt an increase in energy and lost 36 pounds in 2 1/2 months. My coworkers, friends and family were all floored by my results and they decided to jump on board. Four months after I signed up I decided to take a leap of faith, so I fired my bosses and put Nursing school on hold for life and it's been the best decision I've ever made. Thanks to Herbalife my husband and I live a life of purpose. We are extremely grateful to be part of something that creates joy and impacts the lives of so many.

Antes de Herbalife yo era técnico en electroencefalograma. Trabajaba largas horas y el horario era impredecible, siempre estaba "on call 24/7". A la edad de 26, me encontraba con 30 lbs de más, cansada y poco apasionada en mi área profesional. Con suerte me presentaron Herbalife en Dic 2011. Con mucho escepticismo decidí intentarlo, empecé con los productos, sentí más energía y perdí 36 lbs en 2 meses y medio. Mis compañeros, amigos y familiares estaban impresionados con mis resultados y decidieron unirse. 4 meses después de registrarme, decidí dar un paso de fe, al despedir a mi jefe y parar mis estudios, y ha sido la mejor decisión de mi vida. Gracias a Herbalife, junto con mi esposo vivimos una vida con propósito. Estamos muy agradecidos de ser parte de algo que da felicidad e impacta las vidas de tanta gente.

### AGENDA

Saturday MARCH 26<sup>TH</sup>

7:00am Production Team

7:45 – 8:30 Tab Team & AWT

9:00am – 3:00PM Herbalife  
Opportunity

Meeting & Training (Guests Free)

3:00-4:00pm Supervisor School  
(Supervisor level and up)

## HERBALIFE NUTRITION

Independent Member Event



This is a business event, please dress accordingly. No kids allowed.

Like us on  
PALM BEACH STS



Website: [www.palmbeachsts.com](http://www.palmbeachsts.com)

 HERBALIFE EVENTS

  
Palm Beach County  
Convention Center

650 Okeechobee Blvd,  
West Palm Beach, FL 33401

PARKING \$5.00



FIN DE SEMANA DE LIDERAZGO | ABRIL 2016  
LEADERSHIP DEVELOPMENT WEEKEND | APRIL 2016

# TAKE THE LEAD

LIDERA EL CAMBIO



FIN DE SEMANA DE  
LIDERAZGO  
HERBALIFE



LEADERSHIP  
DEVELOPMENT WEEKEND  
HERBALIFE



# Denver STS

## Nov 10, 2012

Fit Hour Training with Launa Rasch  
Friday Nov 9<sup>th</sup>  
6pm – 7pm Fit Hour Workout  
7pm – 8:30pm Fit Hour Training  
Located at Health Q  
7901 E. Belleview, Suite 105  
Englewood, Co, 80111

### STS Agenda:

7:15 to 8:30 am  
Production set up

8:30 – 9am  
Leadership/Speaker  
pre meeting

9am to 9:45am  
World/TAB Team  
Leadership Training

10am to 11am  
HOM-Herbalife  
Opportunity Meeting

11am to 4pm  
STS-Success Training  
Seminar

4:30pm  
10,000 pt qualifiers  
dinner with Launa  
Rasch

### STS REGISTRATION FEE

\$30 Pre Registered at  
[www.denversts.com](http://www.denversts.com) or  
\$40 at the door

## Featuring Launa Rasch



Launa remembers starting her first diet at age 10 and dieting her way up to 245 lbs after college. After attending a local opportunity meeting, she decided to give the products a try. She immediately fell in love with the products and got incredible health results.

Within 3 weeks she attended her first STS and that help launch her business to making over \$8,000 a month within 90 days. Launa says, "We keep things FUN, SIMPLE & MAGICAL! and are proud to WEAR THE BUTTON! We tied in our passion for fitness and our current DMO's includes 24FIT Bootcamp Challenges, Warrior Camp, shake parties and social media. Herbalife has been our vehicle of hope and we are so grateful everyday for this incredible opportunity!"

STS Location  
Denver Marriott South  
10345 Park Meadows Dr  
Denver, CO 80124

(303) 925-0004 ~ [www.denversts.com](http://www.denversts.com)

Join denversts on



Scan here =>



*Presenting Special Guest Speaker*  
**EXECUTIVE PRESIDENTS TEAM MEMBER**

**Tim Hendricks**

**SATURDAY NOVEMBER 21, 2015**

**MIDWEST CONFERENCE CENTER**

**401 West Lake Street, Northlake, IL 60164**

Even though Tim Hendricks was serving his country as an active-duty member of the United States Marine Corps, he was barely earning enough to make ends meet. "I was fed up, frustrated & found myself working hard, giving 110% and still just getting by," he says.

This frustration led Tim to look into Herbalife. "When I heard the results people were getting and the possible income I could earn, I got very excited," he says.

But what really convinced Tim were his own product results. "I started feeling better than I had in years and I was blown away," he says.

In the first 10 weeks Tim made more part-time than he did full time. "As a Marine I was only making about \$1,300 a month full-time, so making more than that part-time was huge for me," he declares. "I hit a six-figure income in 3 years, and now I earn more per month working the hours I choose around my family than I used to make in one year as a Marine! More important than the money is the fact that I am able to truly help people with the products and this incredible opportunity. There is no amount of money that Herbalife could pay me that could replace how that makes me feel."



**AGENDA**

9:00 - 10:00 AM Supervisor school  
10:00 - 12:00 PM HOM  
12:00 - 12:30 PM Break  
12:30 - 4:00 PM Training

**VIP MUST register by Nov 17**

Send VIP Proof to [ST5info@ChicagoST5.net](mailto:ST5info@ChicagoST5.net)

**3 Ways to Qualify:**

- 1) 20 Web + 2500 VP
- 2) Newly qualified supervisor in October
- 3) Have a newly qualified supervisor + 2500 VP

**Tickets: \$25 until Nov 17th - \$30 at the door - Buy tickets at - [www.ChicagoST5.net](http://www.ChicagoST5.net)**

**All members must purchase a ticket to attend. Guests are free until HOM is over.**

**No children under the age of 14. Thank you for your understanding.**

© 2015, Chicago STS LLC. All trademarks and registered trademarks appearing on this site are the property of their respective owners.





# PALM BEACH, FL.

## Success Training School

### December 20, 2014.





## Karen Feiger-Kolehmainen



Income applicable to the individuals (or examples) depicted and not average. For average financial performance data, see the Statement of Average Sales Compensation Paid by Herbalife at Herbalife.com and MyHerbalife.com.

I was a talented but broke artist when I found Herbalife. It was a recession and everyone owed me money, I was looking for a change, and wanted to stay my own boss.

I always wanted to help people but never knew how, so when Herbalife came my way and said they would train me to be successful if I was willing to do just a few simple things, I took it very seriously! I immediately started taking the products and got an incredible result, which I wanted to share with the world. I attended a training just like the success training seminar I will be at with all of you, and loved the positive energy. That day was life changing. I copied what they taught me and put it into action right away, and within a few months was able to go full time with Herbalife. My husband and I live an Amazing life, with hard work, commitment, and dedication to helping others, we have been able to design our life, travel the world, have career level income, create our dream of living on the beach, and have the freedom to move from Beautiful Los Angeles to Beautiful Miami Beach just because we chose to.

I feel so grateful everyday for the privilege of being a part of this wonderful company, and it's mission to change the nutritional habits of the world.

Yo era una artista talentosa pero quebrada cuando encontré Herbalife. Eran tiempos de recesión y todo el mundo me debía dinero. Yo estaba buscando un cambio y quería seguir siendo mi propio jefe. Yo siempre quise ayudar a la gente pero no sabía como. Cuando llegó la oportunidad de Herbalife y me dijeron que me capacitarían para ser exitosa y a cambio, yo solo tenía que ser enseñable. Yo me lo tomé muy en serio. Empecé a tomar los productos y tuve un resultado espectacular, el cual quería compartir con todo el mundo. Asistí a un seminario como en el que compartiré con ustedes, y me encantó la energía positiva. Ese día cambió mi vida. Copié lo que me enseñaron y lo puse en práctica inmediatamente. En tan solo unos meses ya me dedicaba tiempo completo a Herbalife.

Junto con mi esposo vivimos una vida espectacular, que con trabajo, compromiso y dedicación de ayudar a otros, hemos podido diseñar nuestra vida, viajar por el mundo, tener un ingreso como el de un profesional, vivir en la playa y tener la libertad de mudarnos desde Los Angeles a la hermosa Miami Beach solo porque así lo decidimos.

Me siento muy agradecida por el privilegio de ser parte de esta compañía maravillosa, y su misión de cambiar los hábitos nutricionales del mundo.

**AGENDA**

**Saturday DECEMBER 20TH**

7:00am Production Team

8:00am Pre-Meeting (Sup. & up)

9:00am – 2:30PM Herbalife Opportunity Meeting & Training (Guests Free)

2:30-3:30pm Supervisor School (Supervisor level and up)

**VENUE:**



## Palm Beach County Convention Center

650 Okeechobee Blvd,  
West Palm Beach, FL 33401  
PARKING \$5.00

Like us on 

**PALM BEACH STS**

Website: [www.palmbeachsts.com](http://www.palmbeachsts.com)

**Upcoming Events:**

**January 24-25**

Daytona Beach 

**MINI TABLET PROMOTION**

Download your business and earn an extra \$100!

Grabbed your tablet?



**GO HERE**

Independent Event

 **HERBALIFE** 

Independent Distributor

# EXHIBIT 16



QUALIFIED SEPTEMBER 2009



## Amber & Jason Wick

Walking out of their favorite Vietnamese restaurant, Amber and Jason Wick ran into Craig, an acquaintance from their old job, whom they hadn't seen in years. They greeted one another, happy to meet again. Jason asked, "How are things at work?" Craig looked down at the ground, as his smile faded. Quietly he told them about the last round of layoffs. Then his face brightened as he noticed something different about them. "You guys look great," he said. "What are you doing now?" "Herbalife!" the couple answered.

The look on Craig's face said everything, but he wanted to know more: "I thought you two just went to another company. You're no longer engineers?" "Nope," said Jason. Amber made it clear: "Exhausting work weeks; we had no time to be with each other." "We were tired, stressed out and overworked," explained Jason.

"So, how did you get into it?" Craig asked. Amber told him, "A friend introduced us to Herbalife and we fell in love with the products." Craig nodded, and Jason continued, "But we couldn't help notice the opportunity in front of

us. We quit our old jobs, and it was the best decision we ever made." Craig waved through the glass at his family sitting inside the restaurant and said, "Well, my wife and kids are waiting." "Well, good seeing you, Craig," they replied. Craig said goodbye and walked into the restaurant. A warm wind blew as Amber smiled up at Jason. He put his arm around her and they went for a short walk before getting back in their car to drive home.

Today, Amber and Jason Wick run an extremely successful business full time. They replaced their high-paying engineering incomes with something even better, and enjoy the time they now share.

When asked what the couple would like other Distributors to know about how they achieved their success, they responded with: "Our team's spirit is very important. We do things like rent buses to bring them to events. We also make t-shirts and hats for our team. But beyond that, we help them with their own business whenever we can. They know we're looking out for them."\*

- **Attend every event possible.**
- **Bring as many people as you can.**
- **Qualify for everything you can at events.**

"Our thriving Herbalife business replaced our two corporate America incomes."



\*Incomes applicable to the individuals (or examples) depicted and not average. For average financial performance data, see the Statement of Average Gross Compensation for U.S. Supervisors at [www.herbalife.com](http://www.herbalife.com) and [www.myherbalife.com](http://www.myherbalife.com).

# EXHIBIT 17



fitcouple

Following

3,009 likes

1d

**fitcouple** A friend recently told us that a warrior always keeps his sword sharp! That means no matter the level or the success we must continue to learn in order to grow as a person and in business.

Super excited for this Saturday's event! For those of you serious Herbalife Distributors in Miami, I'll tell you like we tell our team; Events/Trainings are non negotiable! We hope to see you there! To buy tickets (link) [www.StSmiami.com](http://www.StSmiami.com)

**mynewgreenlifestyle** Muy cierto 🙌

**mimialvarado1** So one has to pay to go the events? [@fitcouple](#)

**fnky\_highenergy** 😊

**a\_n\_a\_2\_3** 🥰❤️👍

**suarezgisselle** 🍌🍌🍌🍌🍌🍌🍌🍌

**sakasasa** Cuales la direccion?



Add a comment...

...

# EXHIBIT 17



fitcouple

Following

3,009 likes

1d

**fitcouple** A friend recently told us that a warrior always keeps his sword sharp! That means no matter the level or the success we must continue to learn in order to grow as a person and in business.

Super excited for this Saturday's event! For those of you serious Herbalife Distributors in Miami, I'll tell you like we tell our team; Events/Trainings are non negotiable! We hope to see you there! To buy tickets (link) [www.StSmiami.com](http://www.StSmiami.com)

**mynewgreenlifestyle** Muy cierto 🙌

**mimialvarado1** So one has to pay to go the events? [@fitcouple](#)

**fnky\_highenergy** 😊

**a\_n\_a\_2\_3** 🥰❤️👍

**suarezgisselle** 🍌🍌🍌🍌🍌🍌🍌🍌

**sakasasa** Cuales la direccion?



Add a comment...

...

# EXHIBIT 19



**SUGGESTED SUCCESS TRAINING SEMINAR AGENDA**

TIME	MIN.	SPEAKER / MC	TOPICS
7:30am - 8:30am	0:60		<b>Speaker/MC Meeting, Set-up</b> <ul style="list-style-type: none"> <li>Engage all production team members</li> <li>Re-iterate key points from set-up calls</li> <li>Set intentions for the day; philosophy</li> <li>Any additional set-up thoughts</li> </ul>
9:00am - 9:45am	0:45		<b>TAB/World Team Meeting</b> <ul style="list-style-type: none"> <li>Focus on leaders to engage in the event, to be present, help with leadership skills, to understand the "Cycle of Success"</li> <li>Connect with leaders from the region to determine which topics to cover throughout the day</li> </ul>
9:45am - 10:00am	0:15		<b>Open Doors, Welcome</b> <ul style="list-style-type: none"> <li>Open day, engage the room, welcome</li> <li>What to expect from today</li> </ul>
10:00am - 10:05am	0:05		<b>MOJ Welcome Video</b>
10:05am - 11:05am	0:60		<b>HOM</b> <ul style="list-style-type: none"> <li>Confidence in the Company</li> <li>Share success stories</li> <li><i>Use most-updated HOM slide deck and videos from <a href="http://www.myherbalife.com">www.myherbalife.com</a></i></li> <li>Product and Income stories are a key piece- ensure we are teaching story guidelines for compliant and appropriate shares</li> </ul> <b>End with Guest Speaker Story (10 minutes)</b>
11:05am - 12:05pm	0:60		<b>Product Training</b> <ul style="list-style-type: none"> <li>Cellular Nutrition, Weight Management Programs, Herbalife24™, Herbalife SKIN®, Targeted Nutrition</li> <li><i>Use most-updated Product slide deck from <a href="http://www.myherbalife.com">www.myherbalife.com</a></i></li> </ul>
12:05pm - 12:20pm	0:15		<b>Next Event Ticket Sales &amp; Promotion</b> <ul style="list-style-type: none"> <li>Promote the 90 day plan, next event</li> <li>Who do you know? Who will you bring?</li> <li>Teaching everyone to think about new clients and new team members over next 30 days and who they will invite and bring to the next event</li> </ul>
12:20pm - 12:50pm	0:30		<b>Shake Break</b>
12:50pm - 1:50pm	0:60		<b>Marketing Plan &amp; Recognition</b> <ul style="list-style-type: none"> <li>Marketing Plan levels</li> <li>Recognition and Marketing plan advancement since last event</li> </ul>

# SUGGESTED SUCCESS TRAINING SEMINAR AGENDA

TIME	MIN.	SPEAKER / MC	TOPICS
1:50pm - 2:35pm	0:45		<b>Retail, Recruiting, Follow-up, Retention</b> <ul style="list-style-type: none"> <li>• Show different ways of retailing, recruiting and retaining</li> <li>• Potential use of panel to demonstrate invitation –presentation – decision; show different DMO's</li> <li>• Keep messages broad so everyone can relate, understand and duplicate</li> </ul>
2:35pm - 3:35pm	0:60		<b>Leadership, Team Building, Ethics, Personal Development</b> <ul style="list-style-type: none"> <li>• Demonstrate how Leaders mentor, build their business, use personal development</li> <li>• How to create leaders in your organization</li> <li>• Why Herbalife! Why NOW!</li> <li>• Why it is important to do it ethically</li> <li>• <i>Leaders in each region can decide whether to focus on personal development and/or any topics that featured speaker(s) wants to focus on</i></li> </ul>
3:35pm - 3:50pm	0:15		<b>Events/Promotions, Action Steps, Close the Day</b> <ul style="list-style-type: none"> <li>• Key piece: next steps, next meeting (STS, LDW)</li> <li>• Strive to qualify for everything, consistency, plugging into the Cycle of Success and bringing people with you to the next events!</li> </ul>
3:50pm - 4:00pm	0:10		<b>Recognition of Speakers &amp; Production Team</b> <ul style="list-style-type: none"> <li>• It takes a team!</li> </ul>



# EXHIBIT 20

*To be Filed  
Under Seal*