

Federal Trade Commission (FTC) Regulations for Network Marketing Companies

Effective Date: [12/2024]

1. Introduction

This document outlines the key Federal Trade Commission (FTC) regulations and compliance requirements for network marketing companies. Booster International Corp is committed to adhering to these regulations to ensure transparency, fairness, and legal compliance.

2. Overview of FTC Regulations

The FTC enforces laws to protect consumers and ensure fair business practices. For network marketing companies, compliance with the **FTC Act**, **Business Opportunity Rule**, and **Anti-Pyramid Scheme Laws** is mandatory.

3. Key Compliance Requirements

3.1 Truthful Marketing and Advertising

- Claims about earnings, income potential, or business opportunities must be truthful and not misleading.
- All statements regarding potential earnings must include disclaimers about average results and risks.
- Misleading statements, omissions, or exaggerations are strictly prohibited.

3.2 Income Claims and Earnings Disclosures

- Clear and accurate disclosures of average earnings for participants must be provided.
- Earnings claims must be supported by reliable data and made available to prospects.
- Income testimonials should reflect typical results and must include disclosures of any atypical outcomes.

3.3 Anti-Pyramid Scheme Rules

- Compensation plans must reward actual sales of products or services to consumers, not recruitment of new members.
- Participants must primarily earn income from legitimate sales rather than recruiting.

- Refund policies should be clear, and any inventory loading (requiring excessive inventory purchases) is prohibited.

3.4 Refund and Cancellation Policies

- Members must have the right to cancel their membership and receive refunds for unused or unsold products within a reasonable timeframe.
- Refund policies must comply with the **Cooling-Off Rule**, providing at least a 7-day cancellation period.

3.5 Business Opportunity Rule

- Provide a **disclosure document** to potential members at least seven days before enrollment, including:
 - Company contact information.
 - Earnings claims and substantiation.
 - Refund and cancellation policies.
 - Legal actions involving the company.
- Maintain records of disclosures and signed acknowledgments.

3.6 Endorsements and Testimonials

- Endorsements must be truthful, based on real experiences, and clearly disclosed if there is any material connection (e.g., payment or free products).
- Testimonials must reflect typical results or provide disclosures explaining atypical outcomes.

4. Responsibilities of Participants and Members

- Members must comply with all FTC guidelines regarding marketing, advertising, and recruiting practices.
- Training sessions and compliance guidelines will be provided to ensure participants understand legal requirements.
- Violations of FTC rules by members may result in termination of membership and legal liability.

5. Data Privacy and Protection

- The company will comply with **FTC data privacy rules**, ensuring the protection of personal and financial data.

- Data collection and processing will be transparent and align with privacy standards, including **CCPA** and **GDPR** where applicable.
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6. Dispute Resolution and Arbitration

- All disputes related to compliance or FTC violations will be resolved through binding arbitration, as outlined in our **Dispute Resolution Policy**.
 - Any unresolved disputes may be escalated to the **U.S. District Court for the District of Delaware**.
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7. Training and Compliance Monitoring

- Booster International Corp will provide compliance training to members regarding FTC rules and marketing practices.
 - Regular audits and monitoring will ensure continued adherence to regulations.
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8. Reporting Violations

- Members and consumers may report any violations of FTC guidelines directly to the company at: **Email:** compliance@boosterapp.ai
Phone: +1 423 227 3865
Address: 230 CityGreen Way, Unit 108, Chattanooga, TN 37405
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9. Amendments

This document may be updated periodically to reflect changes in laws or company policies. Members will be notified of any revisions.

10. Acknowledgment

By using Booster International Corp's services and participating in the network marketing program, all members acknowledge and agree to comply with FTC regulations and this document.

For further details, visit the **Federal Trade Commission (FTC)** website at www.ftc.gov.