ASEA

Compliance Corner

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What You Can and Cannot Say About Commissions

Talking About Income the Right Way

At ASEA, we're proud of the opportunities our associates have to build meaningful businesses. But with that opportunity comes responsibility, especially when it comes to how we talk about income and lifestyle. Whether you're sharing your story on social media, in a presentation, or one-on-one, it's essential to follow both ASEA's policies and the Federal Trade Commission (FTC) guidelines to ensure your claims are accurate, substantiated, and compliant.

A Quick Refresher on the FTC's Role

We have previously discussed the FTC's position on income and lifestyle claims in the direct sales industry. To recap: the FTC is a U.S. government agency responsible for protecting consumers and promoting fair competition. In the context of direct selling, the FTC monitors how companies and their representatives communicate about earnings and lifestyle potential. Their goal is to prevent misleading or exaggerated claims that could give prospective associates unrealistic expectations.

In recent years, regulators have increased scrutiny on phrases that have long been common in the direct sales industry, like "financial freedom," "passive income," and "residual income." While these phrases may have once been widely used, they are now considered high-risk and potentially misleading. As a result, both companies and associates must remain adaptable, staying informed and adjusting their messaging to align with evolving industry standards and regulatory expectations.

What Counts as a Financial or Lifestyle Claim?

The FTC defines income and lifestyle claims broadly. These include any statement, explicit or implied, that suggests:

-A specific amount or range of income (e.g., "I make $2,000 a week").
-The ability to afford luxury items like cars, vacations, or homes due to ASEA earnings.
-Hypothetical scenarios that imply a typical associate could achieve similar results.
-Visuals like commission checks, bank statements, or luxury lifestyle imagery.
-Promises of company-sponsored rewards like trips or bonuses.

Even if a claim is true for you, it may not be typical, and that's where the risk lies.

What You Cannot Say

ASEA's compensation plan is not a get-rich-quick scheme. Associates earn commissions based on product sales and the sustained efforts of their teams, not from recruiting others. That's why it's critical to avoid language that overpromises or misleads. Here's what to avoid, and what to say instead:

Avoid Saying	Say Instead
"Residual income," "Passive income"	"Leveraged income through consistent work, and team sales"
"Full-time income," "Six-figure income"	"Modest supplemental income that helps with bills"
"Get rich quick," "Financial freedom"	"Over time, ASEA has positive-ly impacted my finances"
"Quit your job," "Fire your boss"	"I enjoy the flexibility to set my own schedule"

Realistic, Responsible Storytelling

You can still share your ASEA journey, just do it responsibly. Focus on how the business has impacted your life in typical, relatable ways. For example:

"Through consistent effort and product sales, I've been able to earn extra income that helps cover my family's monthly expenses. It's rewarding to build something meaningful while working on my own terms."

This kind of statement is personal, grounded, and avoids exaggerated promises.

Why It Matters

Noncompliant claims don't just put your business at risk; they can affect the entire ASEA community. Unauthorized claims can lead to legal consequences and damage ASEA's reputation. The FTC and other regulatory bodies are increasingly scrutinizing direct selling companies. Posts that include high-risk phrases like those mentioned previously can trigger investigations, even if they're well-intentioned.

Final Tips for Staying Compliant

- Avoid visuals of checks, bank balances, or luxury purchases.
- Be transparent about the time, effort, and skill required to succeed.
- Focus on typical results, not exceptional outcomes.
- When in doubt, consult the Compliance team or refer to the resources in your Virtual Office.

Let's keep our messaging honest, empowering, and compliant. That's how we build trust and long-term success.

Getting to know your Compliance Department

Chris Draudt - Senior Manager,

Associate Education & Conduct

What's a hobby you're passionate about outside of work?

I love playing and coaching ice hockey. I am currently organizing a new highschool team that will play its first season this year.

What's something you're proud of?

I recently earned my bachelors degree, all while working full time and having a family with five kids.

What's a travel destination you'd love to visit?

I would love to visit Germany during Christmas time.

If you had a time machine, what event would you love to witness in person?

I have always thought it would be amazing to see what ancient Egypt was like.

What was your dream job as a child?

When I was young, I wanted to be either an animator or a rock musician.

What's your favorite way to spend a day off and why?

I like to take the family to the movie theater. We all like movies and it is an easy activity that everone can agree on. Sitting in a dark, airconditioned room is especially nice during the hot summer months.