

A Potential New Fight Over FTC's 13(b) Authority

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May 19, 2019

On May 17, [AdvoCare International LP](#), marketer of “innovative nutritional, weight-management and sports performance products,” made the extraordinary announcement that it was abandoning its business model. It would no longer engage in multilevel marketing; all sales from here on in would be direct-to-consumer, a single-level marketing compensation plan.

In making this announcement, AdvoCare disclosed that it “has been in confidential talks with the [Federal Trade Commission](#) (FTC) about the AdvoCare business model and how AdvoCare compensates its Distributors.” AdvoCare further stated that “[b]ased on more recent discussions, it became clear that this change is the only viable option.”[1] This “change,” effective July 17, will reportedly affect approximately 100,000 distributors.

Wait, what?

Today [Law360](#) published the article “A Potential New Fight Over FTC's 13(b) Authority.” The article provides an analysis of the “existential threat” to the FTC fraud enforcement program.

To read the article, please click [here](#).