UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

FEDERAL TRADE COMMISSION, and

STATE OF WASHINGTON,

Plaintiffs,

v.

AMWAY CORP., also doing business as AMWAY NORTH AMERICA, a Virginia corporation;

WORLD WIDE GROUP, L.L.C., a Washington limited liability company;

LEADERSHIP TEAM DEVELOPMENT, INC., a North Carolina corporation;

Defendants.

Case No. 2:26-cv-3474

STIPULATED ORDER FOR PERMANENT INJUNCTION, MONETARY JUDGMENT, AND OTHER RELIEF

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Plaintiffs, the Federal Trade Commission ("Commission" or "FTC"), and the State of Washington ("Washington," "State," or "Washington State") filed their Complaint for Permanent Injunction, Monetary Judgment, Civil Penalty Judgment, and Other Relief ("Complaint") in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and the Washington Consumer Protection Act ("CPA"), Wash. Rev. Code §§ 19.86.080 & 19.86.140. Defendants have waived service of the summons and the Complaint. Plaintiffs and Defendants stipulate to the entry of this Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief ("Order") to resolve all matters in dispute in this action between them, including a potential administrative action pursuant to 16 C.F.R. Part 3, followed by a potential federal court action pursuant to Section 19(a)(2) of the FTC Act, 15 U.S.C. § 57b(a)(2).

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.

2. The Complaint charges that Defendants participated in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, and the Washington Consumer Protection Act, Wash. Rev. Code § 19.86, in the marketing, promotion, and sale of a Marketing Plan.

3. Defendants neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Order. Only for purposes of this action, Defendants admit the facts necessary to establish jurisdiction.

4. Defendants waive any claim that they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Order, and agree to bear their own costs and attorney fees.

5. Defendants and Plaintiffs waive all rights to appeal or otherwise challenge or contest the validity of this Order.

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DEFINITIONS

For the purpose of this Order, the following definitions apply:

A. "**Amway Corp.**" means Defendant Amway Corp., also doing business as Amway North America, and its successors and assigns.

B. "**Approved Provider**" means any supplier authorized by Amway Corp. to provide Business Support Materials to Participants or prospective Participants in a Marketing Plan.

C. "**Benefit(s)**" means any reward, payment, discount, commission, compensation, bonus, product, or product credit. "Benefit" does not include any discount on the purchase price of products offered to Participants in a Marketing Plan, if the discount is received by the Participant at the time of purchase and the same discount is provided to all Participants.

D. "**Business Support Materials**" means any materials designed to solicit, educate, train, or inspire current or prospective Participants, including any printed material, online literature, internet website, advertising, audio, video or digital media; any rally, meeting, or educational seminar, or recording thereof; and any materials used during a rally, meeting, or educational seminar. Such materials constitute Business Support Materials regardless of whether they were submitted to or approved by Amway Corp.

E. "**Business Volume**" means any numerical system used by Amway Corp. to assign a monetary unit amount to each product sold by Amway Corp. that is used to calculate Benefits for Participants, such as how the term "Business Volume" is currently used by Amway Corp.

F. "**Clear(ly) and Conspicuous(ly)**" means that a required disclosure is easily noticeable (i.e., difficult to miss) and easily understandable by reasonable consumers, including in all of the following ways:

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1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure is made in only one means.
2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for reasonable consumers to easily hear and understand it.
4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
5. The disclosure must use diction and syntax understandable to reasonable consumers and appear in each language in which the representation that requires the disclosure appears.
6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
8. When the representation or sales practice targets a specific audience, such as young adults, non-English speakers, or individuals of a particular

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ethnicity, national origin, or language background, "reasonable consumers" includes members of that group.

G. "**Defendants**" means all of the Defendants, individually, collectively, or in any combination, including Defendant Amway Corp., Defendant World Wide Group, LLC, and Defendant Leadership Team Development, Inc.

H. "**Date of Purchase**" means the date on which a purchaser pays Amway Corp. for an Amway product in the case of an Online Sale or a purchaser pays a Participant for an Amway product in the case of an Offline Sale.

I. "**Downline**" means the collection of persons a Participant Enrolls or who are otherwise placed under a Participant in a Marketing Plan's organizational hierarchy, including the collection of persons the recruited individuals recruit, and so on.

J. "**Eligible Customer"** means a natural person or an entity that is not owned or controlled in whole or in part by any Participant, which:

1. Is not a Participant in any Marketing Plan operated, promoted, or marketed by any of the Defendants;
2. Registers with Amway Corp. by providing, at a minimum, their mobile phone number, their first and last name or in the case of a business the name of the business and the first and last name of the person who controls the mobile phone, and either their email address or mailing address;
3. Is assigned a unique purchaser ID upon registration; and
4. Purchases products exclusively for their own use.

K. "**Eligible Customer Sale(s)**" means the sale of a product to an Eligible Customer when:

1. In the case of an Online Sale:
    i. The Eligible Customer pays Amway Corp. for the product using a

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payment method that is not associated with any Participant; and

ii. The shipping address for the product is not the same as that of any Participant;

2. In the case of an Offline Sale:

i. The Participant reports to Amway Corp. within 72 hours of the Date of Purchase: the mobile phone number of the purchaser; the first and last name of the purchaser or in the case of a business the name of the business and the first and last name of the person who controls the mobile phone; the Date of Purchase; the products and quantities sold; the amount paid by the purchaser for the product(s); the amount paid by the purchaser in taxes; the amount paid by the purchaser in shipping costs; and the specific mechanism of payment, including the name of any electronic payment platform used by the Participant to receive payment (e.g. PayPal, Zelle, or Cash App); and

ii. The purchaser is an Eligible Customer who has registered with Amway prior to the Date of Purchase or no later than 48 hours after the Date of Purchase; and

3. Amway Corp. sends or causes to be sent a communication that explicitly references "Amway" as the sender and that contains a receipt or a URL link to a receipt within 24 hours of the Date of Purchase in the case of an Online Sale and within 24 hours of when a Participant reports a customer sale to Amway Corp. in the case of an Offline Sale. For Offline Sales, the communication must be sent to the mobile phone number associated with the Eligible Customer — or, if the Eligible Customer has affirmatively opted out of receiving communications to the mobile phone number or such communications are prohibited by state or federal law, to the email address

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associated with the Eligible Customer. For Online Sales, the communication must be sent to the email address or mobile phone number associated with the Eligible Customer. The receipt must list the first and last name of the purchaser, the unique purchaser ID for the purchaser, the Date of Purchase, the products and quantities sold, the amount paid by the purchaser, including the amount paid by the purchaser in taxes and shipping costs, and the specific mechanism of payment, including the name of any electronic payment platform used by the Participant to receive payment (e.g. PayPal, Zelle, or Cash App). The receipt must also provide a mechanism through which the recipient may report any issues or ask questions about the receipt to Amway.

L. "**Enroll**" means to complete any process required to become a Participant in a Marketing Plan.

M. "**Leadership Team Development, Inc.**" means Defendant Leadership Team Development, Inc., and its successors and assigns.

N. "**Marketing Plan**" means any marketing program in which Participants have the right to sell or promote goods, services, or investments, including any plan, program, or business that sells products, services, or other property and offers Participants the right to recruit others into the plan, program, or business or have others placed in the Participant's Downline, and receive any Benefit that is based, in whole or in part, upon purchases, sales, or any other activities of people in the Participant's Downline.

O. "**Monthly Product Volume**" means the sum of the Point Value associated with the Participant's product purchases from Amway Corp. in a given month and the Point Value of the Online Sales credited to the Participant in the same month.

P. "**Offline Sale(s)**" means the sale of an Amway product by a Participant to a non-Participant in which the Participant receives payment from the purchaser.

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Q. "**Online Sale(s)**" means the sale of an Amway product to a non-Participant in which Amway receives payment from the purchaser.

R. "**Participant**" means a person, two people, or corporate entity (such as a corporation, limited liability company, or partnership) enrolled in a Marketing Plan, and whose enrollment provides that person, people, or entity with the right to earn Benefits from participation in that Marketing Plan.

S. "**Point Value**" means any numerical system used by Amway Corp. to assign a uniform, non-monetary value to each product sold by Amway Corp., such as how the term "Point Value" is currently used by Amway Corp.

T. "**Unsold Product Purchases**" means any Amway products purchased in a given month by a Participant, such as those given away as samples or personally consumed by the Participant, that were not the subject of an Eligible Customer Sale with a Date of Purchase by an Eligible Customer that is within the same month that the products were purchased from Amway.

U. "**Upline**" means the Participant, if any, who Enrolls a person, or who has a person placed under him or her in a Marketing Plan's organizational hierarchy.

V. "**World Wide Group, LLC**" means Defendant World Wide Group, LLC, and its successors and assigns.

ORDER

I. PROHIBITED BUSINESS PRACTICES

IT IS ORDERED that Defendants, Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are restrained and enjoined from advertising, marketing, promoting, offering, participating in, operating, or assisting others in the advertising, marketing, promoting, offering, participation in, or operation of any Marketing Plan operated, offered, or promoted by Amway Corp. unless such plan has the following characteristics:

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A. **Benefits or Compensation**

1. The Marketing Plan offers or provides Benefits to a Participant solely for:
   i. Eligible Customer Sales to Eligible Customers registered to that Participant ("Personal Sales");
   ii. Eligible Customer Sales to Eligible Customers registered to Participants in that Participant's Downline ("Downline Sales"); or
   iii. Unsold Product Purchases to the extent permitted by this Section.
2. The Marketing Plan requires that each Participant's Eligible Customer Sales constitute at least seventy (70) percent of the Participant's Monthly Product Volume.
3. The Marketing Plan reduces the Benefits provided to a Participant and to any Upline of a Participant when that Participant's Eligible Customer Sales do not constitute at least seventy (70) percent of that Participant's Monthly Product Volume, at least as follows:
   i. The Business Volume credited to such a Participant is reduced on a percentage basis according to the formula set out in Appendix A to this Order;
   ii. Following a Participant's first six (6) full months as a Participant, the Business Volume credited to any Upline of such a Participant that is based on the Participant's Business Volume is reduced by the same proportion that the Participant's Business Volume is reduced;
   iii. Nothing in this Section shall prevent the Marketing Plan from further limiting the Benefits of Participants that do not meet the threshold established in this subsection.

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4. The Marketing Plan may not provide credit for Business Volume to any Upline for Unsold Product Purchases made by a Downline Participant during the first six (6) full months after the Participant Enrolls in the Marketing Plan.

B. **Recruiting New Participants**

1. No Upline Participant may Enroll a Participant, or otherwise have a Participant placed immediately under that Upline Participant in the plan's organizational hierarchy, unless:

   i. The Upline Participant has made Eligible Customer Sales to at least three (3) different Eligible Customers; and

   ii. The Upline Participant has completed the training required by Section I.C of this Order.

C. **Training of New and Existing Participants**

1. Amway Corp. requires all Participants to successfully complete training conducted by Amway Corp. within six (6) months of entry of this Order and thereafter for new Participants within the three (3) months following their enrollment that includes the following:

   i. Instruction on the requirements for Eligible Customer Sales (however denominated by Amway Corp.), customer registration, and reporting Offline Sales;

   ii. Instruction concerning the prohibitions on and consequences for falsifying sales;

   iii. Instruction that samples, donations, and gifts are not Eligible Customer Sales;

   iv. Instruction that entities owned or controlled in whole or in part by Participants are not Eligible Customers;

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v. The importance of purchasing only the amount of product for inventory that the Participant expects to sell;

vi. Prohibited and permissible representations that can be made to Participants and potential Participants;

vii. How to receive refunds for Amway product purchases;

viii. How to submit a complaint to Amway Corp.; and

ix. The requirements of this Order as they relate to the conduct of Participants.

D. **Refunds for Participants and Former Participants**

1. Participants and former Participants are entitled to a full refund of the cost, including tax and any fees, of any unopened and unsold products or any currently marketable and unsold products purchased while they were Participants from Defendant Amway Corp. within the previous twelve (12) months. If Amway Corp. requires, as part of its refund procedure, that refundable products be returned, Amway Corp. will pay for any shipping costs associated with such return. Defendants shall take effective steps to notify Participants of both (a) the right to return refundable products for a full refund and (b) the mechanism(s) by which Participants can return refundable products for a full refund. If Amway Corp. determines that a product is not eligible for a refund after it has been returned, Amway Corp. shall return the product to the Participant or former Participant upon request.

E. **Impermissible Benefits or Compensation**

1. Purchases by a Participant are not required as a condition of receiving any Benefits; and

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2. Benefits are not offered to a Participant for, or conditioned in any way on, any activities other than those permitted by Section I.A, such as recruitment or enrollment of Participants.

F. **Timing Related to this Section**

1. The effective date for Sections I.A, I.B, I.D, and I.E shall be nine (9) months after entry of this Order.
2. The requirements of this Section will remain in effect for ten (10) years after the entry of this Order.

II. ADDITIONAL PROHIBITED BUSINESS PRACTICES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, offering, participating in, operating, or assisting others in the advertising, marketing, promoting, offering, participation in, or operation of any Marketing Plan are, for ten (10) years after the entry of this Order, restrained and enjoined from:

A. Instructing or encouraging Participants to report or cause to be reported an Eligible Customer Sale when such a sale has not occurred or to report or cause to be reported any terms of an Eligible Customer Sale that differ from the actual terms on which the sale was made;

B. Instructing or encouraging Participants to purchase specific numerical amounts of Amway products for purposes other than making Eligible Customer Sales;

C. Collecting payments of any kind, directly or indirectly, from Participants during their first twelve (12) months as Participants, except for payments made in connection with the purchase of Amway products for purposes permitted by this Order; or

D. Engaging, participating, or assisting others in the advertising, marketing, promotion, or operation of any Marketing Plan that encourages and incentivizes Participants:

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1. to purchase Amway products for reasons other than genuine demand for those products or for the facilitation of sales to non-Participants; and
2. to recruit new Participants to purchase Amway products for reasons other than genuine demand for those products or for the facilitation of sales to non-Participants.

III. PROHIBITION AGAINST FALSIFYING SALES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, offering, participating in, operating, or assisting others in the advertising, marketing, promoting, offering, participation in, or operation of any Marketing Plan are, for ten (10) years after entry of this Order, restrained and enjoined from failing to take appropriate corrective action under Section VI of this Order or otherwise when Defendants know or should know that a Participant:

A. Reported or caused to be reported an Eligible Customer Sale when such a sale has not occurred;

B. Reported or caused to be reported any terms of an Eligible Customer Sale that differ from the actual terms on which the sale was made;

C. Registered or caused a person to be registered as an Eligible Customer without that person's advance knowledge and consent;

D. Registered or caused the registration of an Eligible Customer with an incorrect phone number, email address, or mailing address;

E. Registered or caused a person to be registered as an Eligible Customer when that person or entity does not meet the requirements to be an Eligible Customer;

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F. Provided or caused to be provided any payment, reimbursement, or compensation to an Eligible Customer in return for the purchase or purported purchase of products by that Eligible Customer; or

G. Instructed, advised, encouraged, or assisted any Participant to engage in conduct described by this Section.

IV. PROHIBITION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, offering, participating in, operating, or assisting others in the advertising, marketing, promoting, offering, participation in, or operation of any Marketing Plan are permanently restrained and enjoined from:

A. Misrepresenting or assisting others in misrepresenting, expressly or by implication:

1. The amount of sales Participants have made or the payments, revenue, income, earnings, or profits Participants have received or obtained, including by characterizing gross payments received or obtained by Participants as profits, net earnings, or net income;
2. That Participants will or are likely to achieve substantial sales, revenue, earnings, income, or profit;
3. The amount of time or effort required to earn an amount of compensation or to advance in the Marketing Plan;
4. The number of additional Participants that Participants have been able to recruit;
5. The likelihood that Participants will be able to recruit additional Participants;
6. That participation in the Marketing Plan is only open to a limited number of qualified people;

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7. Any aspect of the assistance offered to Participants, including the workload, accessibility, or financial success of mentors or coaches;
8. The likelihood that Participants who purchase Business Support Materials or who register with an Approved Provider will achieve substantial sales, revenue, earnings, income, or profit, net of any costs associated with Business Support Materials, including any fees paid to Approved Providers;
9. The amount or existence of compensation received by Participants for the services offered by the Approved Providers, including by failing to disclose such compensation in connection with the promotion of those services or representing that coaches and mentors who, in fact, receive such compensation, are not compensated for the coaching or mentoring they provide;
10. Any aspect of the lifestyle that Participants may achieve or have achieved through their participation in the Marketing Plan, including by representing that any aspect of that lifestyle is based solely or primarily on income from the Marketing Plan when it is in fact supported by other sources of income; or
11. Any other fact material to consumers concerning the Marketing Plan, such as: any individual cost, or total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

B. Making any representation, expressly or by implication, regarding:

1. The amount or likelihood of sales, income, or profits that a Participant can expect to earn; or
2. The likelihood that a Participant purchasing Business Support Materials or registering with an Approved Provider will achieve substantial sales, revenue,

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earnings, income, or profit, net of any costs associated with Business Support Materials including fees paid to Approved Providers,

unless the representation is non-misleading and, at the time such representation is made, Defendants possess and rely upon competent and reliable evidence sufficient to substantiate that the representation is true. Implied representations regarding the amount of sales, income, or profits that a Participant can expect to earn include using representations or images of a person's lifestyle.

V. REQUIRED DISCLOSURES

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with advertising, marketing, promoting, offering, participating in, operating, or assisting others in the advertising, marketing, promoting, offering, participation in, or operation of any Marketing Plan are permanently restrained and enjoined from making any representation, expressly or by implication, regarding the amount of sales Participants have made or can expect to make, or the payments, revenue, income, earnings, or profits Participants have received or obtained or can expect to receive or obtain, unless:

A. Any such representation is accompanied by a Clear and Conspicuous disclosure ("Required Disclosure") of all information necessary to ensure that the overall net impression communicated by the representation is not false, misleading, or unsubstantiated;

B. The Required Disclosure is truthful, accurate, and not misleading, and does not:

1. Provide average information about payments, revenue, income, or profits received or obtained by Participants without corresponding median information;

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2. Limit the population of Participants that are used to calculate any presented payment, revenue, income, or profit amount in such a way as to render that presentation misleading or incomplete, such as by providing information about only Participants who received or obtained higher amounts of payments, revenue, income, or profits (e.g., by only providing information about the top 50% of Participants by revenue);

3. Provide information about payments, revenue, income, or earnings without also providing accurate information about expenses, including Amway fees, Participants' cost of goods sold, and payments for Approved Provider services;

4. Present a range of time for which Participants have reached a certain level of compensation or achievement as an average when in fact that range of time reflects standard deviations from the average; and

C. The content of the Required Disclosure is reviewed and expressly approved in advance by Defendant Amway Corp., and any records of such review are preserved by Amway Corp. consistent with the provisions of Section XIV of this Order.

VI. MONITORING BY AMWAY CORP.

IT IS FURTHER ORDERED that Defendant Amway Corp. and its officers, agents, employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are, for ten (10) years after entry of this Order, restrained and enjoined from:

A. Failing to monitor and take all reasonable steps necessary to ensure that Defendants' officers, employees, independent contractors, and agents, including Participants and Approved Providers, act in compliance with the requirements of Sections I through V of this Order.

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B. Failing to implement and maintain a corrective action program that deters and corrects behaviors of Participants that are not in compliance with the requirements of this Order, which shall include:

1. Upon acquiring reason to believe that a Participant at the Platinum qualification level or above has (a) reported or caused to be reported an Eligible Customer Sale that the Participant knew or should have known has not occurred, (b) reimbursed a non-Participant for a purported Eligible Customer Sale, or (c) instructed or advised another to engage in the conduct described in (a) or (b), Amway Corp. shall promptly and thoroughly initiate an investigation. If the Participant engaged in such conduct, Amway Corp. shall terminate the Participant's contract.

2. Upon acquiring reason to believe that any Participant not covered by Section VI.B.1 above has (a) reported or caused to be reported an Eligible Customer Sale that the Participant knew or should have known has not occurred, (b) reimbursed a non-Participant for a purported Eligible Customer Sale, or (c) instructed or advised another to engage in the conduct described in (a) or (b), Amway Corp. shall promptly and thoroughly initiate an investigation. If the Participant engaged in such conduct, Amway Corp. shall suspend the Participant for a period of not less than one (1) month and require the Participant to complete retraining pertaining to the specific violative conduct within thirty (30) days of notification. Upon a second instance of a Participant's engagement in such conduct, Amway Corp. shall terminate the Participant's contract.

3. Upon acquiring reason to believe that an Approved Provider has not notified Amway Corp. when an Approved Provider knows or should have known that a Participant (a) reported or caused to be reported an Eligible Customer Sale

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that the Participant knew or should have known has not occurred, (b) reimbursed a non-Participant for a purported Eligible Customer Sale, or (c) instructed or advised another to engage in the conduct described in (a) or (b), Amway Corp. shall promptly and thoroughly initiate an investigation. If the Approved Provider engaged in such conduct, Amway Corp. shall promptly and permanently revoke that Approved Provider's authorization to provide Business Support Materials to Participants or prospective Participants.

C. Providing any Benefit to any Participant when Defendants know or should know that such monetary compensation is or would be based on claimed transactions that are not in accordance with the requirements of Section III of this Order.

D. Failing to claw back any Benefit to any Participant when Amway Corp. knows or should know that such Benefit was not provided or offered in accordance with the requirements of Section I of this Order. Amway Corp. may comply with this subsection by reducing the payment of future Benefits to a Participant in lieu of requiring that Participant to pay back Benefits already received.

E. Failing to accurately collect and maintain in a standardized format the following information for any product purchased from Amway Corp. or from a Participant, including but not limited to any product purchased by an Eligible Customer or Participant:

1. the specific method of payment, including the name of any electronic payment platform used by the Participant to receive payment (e.g. PayPal, Zelle, or Cash App);
2. the product and quantities sold;
3. the Date of Purchase;

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4. the amount paid by the purchaser for the product, the amount paid by the purchaser in taxes, the amount paid by the purchaser in shipping costs, and any other amount paid by the purchaser, for example, in fees;
5. the first and last name of the purchaser or, in the case of a purchaser that is an entity, the name of the business and the first and last name of the person who controls the mobile phone used to register the entity as an Eligible Customer;
6. the unique purchaser ID of the purchaser;
7. the status of the purchaser as an Eligible Customer or Participant at the time of the purchase;
8. contact information for the purchaser, including mobile phone number, shipping address, and email address in the case of an Online Sale and the mobile phone number and either email address or shipping address in the case of an Offline Sale;
9. contact information for any Participant who received a Benefit as a result of the purchase, including that Participant's mobile phone number, shipping address, and email address; and
10. the products for which the Participant or former Participant sought a refund for unopened products, the date such refund(s) were sought, the date such refund(s) were paid, the reasons, if any, refund requests were denied, and the payment and timing of shipping expenses provided by Amway Corp.

F. Failing to accurately maintain in a standardized format the following information for any Benefit provided to a Participant in a Marketing Plan operated, offered, or promoted by Amway Corp.:

1. The first and last name of the Participant (or, where more than one natural person is associated with a Participant, the first and last name of each natural person associated with the Participant);

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2. A unique ID for the Participant;
3. Contact information for the Participant, including that Participant's mobile phone number, shipping address, and email address;
4. The first and last name and entity name (if applicable) and unique ID of the Participant, if any, in whose Downline the receiving Participant appears; and
5. A record showing which Eligible Customer Sales resulted in the provision of the Benefit.

G. Failing to promptly and thoroughly investigate any complaint received by Defendants relating to compliance with this Order, and to promptly notify the complainant of the resolution of the complaint and the reason therefor unless legitimate business reasons exist not to notify the complainant.

VII. AUDITOR

IT IS FURTHER ORDERED that Defendants must not offer or provide any Benefit to any Participant in a Marketing Plan unless, within one hundred and twenty (120) days of the entry of this order, a third-party auditor ("the Auditor") is appointed in accordance with the following requirements:

A. The Auditor shall, on an annual basis, collect from Amway data sufficient to evaluate the accuracy and completeness of Eligible Customer Sales and Eligible Customer registrations including but not limited to:

1. Eligible Customer Sales data, including all data collected in compliance with Section VI(E) of this Order;
2. Eligible Customer data;
3. Participant enrollment data, including the identity of each Participant who enrolled other Participants;
4. Benefits data, including all data collected in compliance with Section VI(F) of this Order; and

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5. Any other information which the Auditor determines may be necessary to perform its duties under this Section.

B. The Auditor shall review and assess the data provided by Amway Corp. using methods and criteria selected by the Commission and the State, including by:

1. Auditing Eligible Customer Sales and Eligible Customer data; and
2. Conducting surveys, including by phone, email, or other manner of a random or targeted selection of Eligible Customers and Participants.

C. For 10 years after entry of the Order, the Auditor shall prepare annual reports (the "Auditor Reports"). Each Auditor Report shall summarize each category of data collected, reviewed, and assessed in compliance with subsections (A) and (B) of this Section, the sources from which that data was collected, and the methods used to review and assess it. The initial Auditor Report shall cover the period of the first 120 days after entry of this Order. Subsequent Auditor Reports shall cover each year after entry of this Order. The Auditor shall submit each Auditor Report to the Commission and the State, with a copy to Amway Corp., within 60 days after the end of the reporting period to which the Auditor Report applies. The Auditor shall, prior to submitting a copy of the report to Amway Corp., redact from the report any information provided pursuant to subsection (F) below without the written consent of the Participant.

D. The Auditor shall serve at the expense of Amway Corp. Amway Corp. must not, directly or indirectly, compensate the Auditor or any of its personnel outside the scope of this Order. The Auditor shall have the authority to engage professional staff, at the expense of Amway Corp., to assist the Auditor in carrying out the Auditor's duties and responsibilities. The scope of work, fees, and expenses to be incurred by the Auditor and anyone working under the Auditor's supervision shall be reasonable

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and not excessive, in light of the Auditor's duties, responsibilities, and powers described in this Order.

E. The Auditor shall have full, real-time access to all information in the possession, custody, or control of Amway Corp. that may be relevant to the Auditor, including all records required to be maintained under Sections VI and XIV of this Order. Amway Corp. shall, at the Auditor's request, make available for an interview any officers, agents, employees, or independent contractors whom the Auditor determines may possess information that may be relevant to the Auditor. Amway Corp. shall, at the Auditor's request, produce documents for inspection or copying that the Auditor determines may be relevant to the Auditor.

F. The Auditor shall maintain a system for receiving voluntary communications from Participants concerning Defendants' business practices, and shall maintain a database of those communications for 10 years after the entry of this Order. The reporting system must allow for communications to be made electronically, and for communications to be made with or without the Participants' names and contact information. The Auditor shall provide the Commission and the State with real-time access to the database of communications. Defendants shall not have access to the database or to any individual communication.

G. The Auditor shall provide the Commission or the State with information related to compliance with this Order within 10 business days of a request from Commission or State staff.

H. The Auditor shall be an independent third party selected by mutual agreement of the Associate Director for Enforcement of the FTC's Bureau of Consumer Protection and Amway Corp. Within thirty (30) days of the entry of this Order, Amway Corp. shall propose three potential auditors to the Associate Director of Enforcement. The FTC and Amway Corp. may propose additional potential auditors at any time. If the

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Associate Director of Enforcement and Amway Corp. are unable to agree on the selection of an Auditor or a replacement Auditor within 120 days of entry of this Order or within 120 days of a vacancy in the position of Auditor, the FTC and Amway Corp. shall submit the matter to the Court for determination.

I. The Associate Director for Enforcement may relieve the Auditor of its duties, at the Associate Director for Enforcement's sole discretion. In the event of any vacancy in the position of Auditor, a replacement Auditor shall be selected by mutual agreement of the Associate Director for Enforcement and Amway Corp. using the process described in Section VII.H.

J. All submissions by the Auditor to the Commission and the State may be made as provided for Defendants in the Section titled Compliance Reporting.

VIII. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Judgment in the amount of One Hundred Fifty-Four Million Seven Hundred Thousand Dollars ($154,700,000) is entered in favor of the Commission against Defendant Amway Corp. as monetary relief. Defendant Amway Corp. is ordered to pay to the Commission $154,700,000, which, as Defendant Amway Corp. stipulates, Kelley Drye & Warren LLP holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission upon the Court's issuance of this Order.

B. An additional judgment in the amount of Thirty-Nine Million Seven Hundred Eighty Thousand Dollars ($39,780,000) is entered in favor of the Commission against Defendant World Wide Group, L.L.C. and Defendant Amway Corp., jointly and severally, as monetary relief. Defendant World Wide Group, L.L.C. is ordered to pay to the Commission $39,780,000, which, as Defendant World Wide Group L.L.C. stipulates, Kelley Drye & Warren LLP holds in escrow for no purpose other than payment to the Commission. Such payment must be made

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within 7 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission upon the Court's issuance of this Order.

C. An additional judgment in the amount of Twenty-Six Million Five Hundred Twenty Thousand Dollars ($26,520,000) is entered in favor of the Commission against Defendant Leadership Team Development, Inc. and Defendant Amway Corp., jointly and severally, as monetary relief. Defendant Leadership Team Development, Inc. is ordered to pay to the Commission $26,520,000, which, as Defendant Leadership Team Development, Inc. stipulates, Kelley Drye & Warren LLP holds in escrow for no purpose other than payment to the Commission. Such payment must be made within 7 days of entry of this Order by electronic fund transfer in accordance with instructions to be provided by a representative of the Commission upon the Court's issuance of this Order.

D. All money received by the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for nationwide consumer relief, such as redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after such redress is completed, the Commission may apply any remaining money for such related relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint. Any money not used for relief is to be deposited to the U.S. Treasury. Defendants have no right to challenge any actions the Commission or its representatives may take pursuant to this Subsection.

E. An additional judgment in the amount of Four Million Dollars ($4,000,000) is entered in favor of Washington State against Defendants. Pursuant to RCW 19.86.080, Washington shall recover and Defendants shall pay Washington the amount of $4,000,000 for costs and reasonable attorney's fees incurred by Washington in pursuing this matter, for monitoring and potential enforcement of this Order, for future enforcement of RCW 19.86, or for

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any lawful purpose in the discharge of the Attorney General's duties at the sole discretion of the Attorney General.

F. Payment referenced in paragraph (E) shall be made no later than 30 days of entry of this Order by valid check payable to "State of Washington Attorney General's Office," delivered to the Office of the Attorney General, Attention, Margaret Farmer, Litigation Support Manager, 800 Fifth Ave., Suite 2000, Seattle, WA 98104.

G. Defendants' failure to timely make payments as required by this Order pursuant to paragraph (E), without written agreement by Washington, shall be a material breach of this Order.

IX. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

A. Defendants relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.

B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission or the State, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

C. The facts alleged in the Complaint establish all elements necessary to sustain an action by the Commission or the State pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

D. Each Defendant acknowledges that Defendant's Employer Identification Number, Social Security Number, or other Taxpayer Identification Number ("TIN"), including all TINs that Defendants previously provided, may be used by the Commission and the State for reporting and other lawful purposes, including collecting on any delinquent amount arising out of this Order in accordance with 31 U.S.C. §7701.

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X. CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, are permanently restrained and enjoined from directly or indirectly failing to provide sufficient customer information to enable the Commission to efficiently administer consumer redress. If a representative of the Commission requests in writing any information related to redress, Defendants must provide it to the Commission within 14 days.

XI. NOTICE TO PARTICIPANTS

IT IS FURTHER ORDERED that, within 7 days of entry of this Order, Amway Corp. shall email notice in the form shown in Appendix B to all persons in the United States who were Participants in Amway Corp.'s Marketing Plan at any time between January 1, 2021 and the date of the entry of this Order. Within 15 days of entry of this Order, Amway Corp. shall mail the form shown in Appendix B via first-class mail, postage prepaid with address forwarding requested, to the last known mailing address of any intended email recipient whose emailed message delivery fails. No information other than that contained in Appendix B shall be included in or added to the notice required by this Section, nor shall any other materials be transmitted with the notice.

XII. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgments of receipt of this Order:

A. Each Defendant, within 7 days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For 5 years after entry of this Order, each Defendant must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers, members, or governors; (2) all employees having managerial responsibilities for conduct related to the subject matter of the Order, including any conduct related to the operation or marketing of a Marketing Plan, and all

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agents and representatives who participate in conduct related to the subject matter of the Order, including all Approved Providers; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within 7 days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a Defendant delivered a copy of this Order, that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

XIII. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission:

A. One year after entry of this Order, each Defendant must submit a compliance report, sworn under penalty of perjury, where each Defendant must: (1) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission and the State may use to communicate with Defendant; (2) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (3) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Defendant; (4) describe in detail whether and how that Defendant is in compliance with each Section of this Order; and (5) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission.

B. For 10 years after entry of this Order, each Defendant must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in: (1) any designated point of contact; or (2) the structure of any Defendant or any entity that Defendant has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under

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this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.

C. Each Defendant must submit to the Commission and the State notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Defendant within 14 days of its filing.

D. Any submission to the Commission or the State required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____" and supplying the date, signatory's full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Amway Corp., No. 2223079.

F. Unless otherwise directed by a State representative in writing, any notice or other communication to the State required or permitted under this Order shall be in writing and delivered by email or sent by overnight courier to the following persons or any person subsequently designated by the parties: Office of the Attorney General, Consumer Protection Division, ATTN: Joe Kanada, 800 Fifth Ave, Suite 2000, Seattle, WA 98104, Joe.Kanada@atg.wa.gov.

XIV. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for 10 years after entry of the Order, and retain each such record for 5 years. Specifically, Defendants must create and retain the following records:

A. Accounting records showing the revenues from all goods or services sold;

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B. Personnel records showing, for each person providing services related to this Order, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;

C. For Defendant Amway Corp, Participant records showing, for each Participant, that person's: name; addresses; telephone numbers; email addresses; and dates of participation in the Marketing Plan;

D. For Defendant Amway Corp, Eligible Customer records showing, for each Eligible Customer for which such data is collected, that person's: name; addresses; telephone numbers; email addresses; and dates of registration with Amway Corp.;

E. For each of Defendants World Wide Group, L.L.C. and Leadership Team Development, Inc., member or subscriber records showing, for each member in or subscriber to the services provided by that entity, that person's: name; addresses; telephone numbers; email addresses; and dates of registration as a member or subscriber;

F. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

G. Copies of any Business Support Materials created, reviewed, approved, or made available to any Defendant, provided that no Defendant shall be required to maintain Business Support Materials created by another Defendant unless those materials were provided, made available, or otherwise shared with that Defendant; and

H. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.

XV. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Defendants' compliance with this Order:

A. Within 14 days of receipt of a written request from a representative of the Commission or the State, each Defendant must: submit additional compliance reports or other

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requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents for inspection and copying. The Commission and the State are each also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including depositions by remote means), 31, 33, 34, 36, 45, and 69, by Washington Civil Rules 26, 30, and 33, or by RCW 19.86.110.

B. For matters concerning this Order, the Commission and the State are authorized to communicate directly with each Defendant. Defendant must permit representatives of the Commission and the State to interview any employee or other person affiliated with any Defendant who has agreed to such an interview. The person interviewed may have counsel present.

C. The Commission and the State may use all other lawful means, including posing, through their representatives, as consumers, suppliers, or other individuals or entities, to Defendants or any individual or entity affiliated with Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.

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XVI. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that:

A. This Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order;

B. The State may seek the imposition of additional conditions, civil penalties of up to $125,000.00 per violation pursuant to Wash. Rev. Code § 19.86.140, restitution, injunctive relief, attorneys' fees, costs, and such other remedies as the Court may deem appropriate at an evidentiary hearing in which Defendants have an opportunity to be heard, if the Court finds by a preponderance of the evidence that Defendants have violated a material condition of this Order. In any successful action to enforce this Order against Defendant, Defendants shall bear the State of Washington's reasonable costs, including reasonable attorney's fees.

SO ORDERED this ___ day of _______________, 202__.

UNITED STATES DISTRICT JUDGE

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SO STIPULATED AND AGREED:

FOR PLAINTIFF FEDERAL TRADE COMMISSION

s/Christopher Y. Miller Date: September 17, 2026

Christopher Y. Miller (NY Bar # 3983160)
Adam K. Hersh (NY Bar # (5693064)
Brian N. Lasky (NY Bar # 3993417)
Darlene L. Mottley (NY Bar # 5672886)

Federal Trade Commission
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Attorneys for Plaintiff Federal Trade Commission

FOR PLAINTIFF STATE OF WASHINGTON

STATE OF WASHINGTON
NICHOLAS W. BROWN
Attorney General

s/Joseph K. Kanada Date: September 17, 2026
Joseph K. Kanada (WSBA # 55055)
Ellie A. Page (WSBA # 53195)
Assistant Attorneys General
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Seattle, WA 98104
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Attorneys for Plaintiff State of Washington

FOR DEFENDANT AMWAY CORP.:

____________________________ Date: August 13, 2026

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Attorneys for Amway Corp.

DEFENDANT AMWAY CORP.:

______________________________ Date: 8/13/2026

Jon A. Sherk
Chief Legal Officer, Vice President & Secretary

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FOR DEFENDANTS WORLD WIDE GROUP, L.L.C. AND LEADERSHIP TEAM DEVELOPMENT, INC.:

Olivia Adendorff ______________________ Date: 8/13/26

Olivia Adendorff
Kaitlyn L. Coverstone
Christopher B. Leach
Kirkland & Ellis LLP
1301 Pennsylvania Ave. NW
Washington, DC 20004
Telephone: (202) 389-5000

Rick Abraham
Abraham Law Offices
24 N. High Street
Columbus, OH 43215
Telephone: (614) 221-5474

Attorneys for World Wide Group, L.L.C. and Leadership Team Development, Inc.

DEFENDANT WORLD WIDE GROUP, L.L.C.:

Date: 8/8/26

Douglas Reichel
Chief Executive Officer

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DEFENDANT LEADERSHIP TEAM DEVELOPMENT, INC.:

John A. Dumproff ______________________ Date: 8/7/2026

John A. Dumproff
Chief Executive Officer

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APPENDIX A

Pursuant to Section I.A.3 of this Order, when a Participant's Eligible Customer Sales do not constitute at least seventy (70) percent of that Participant's Monthly Product Volume, that Participant may only be credited with Business Volume reflecting the portion of the 70% target that is made up of Eligible Customer Sales. The percentage of Business Volume that may be credited to the Participant is calculated by dividing the percentage of that Participant's Monthly Product Volume that consists of Eligible Customer Sales ("ECS%") by seventy (70) percent.

A Participant's ECS% shall be calculated using the Point Value of all the products that contribute to the Participant's Monthly Product Volume in a given month. In the examples below, references to the amount of Eligible Customer Sales and Monthly Product Volume refer to the Point Value ("PV") assigned to such products.

The formula for calculating the percentage of Business Volume that may be credited to a Participant whose ECS% is below 70 percent is as follows:

Percentage of Business Volume Credited = ECS% ÷ 70%

The following examples demonstrate how this formula is applied.

Example 1: If a Participant's Monthly Product Volume is 100 PV, and that Participant obtains 63 PV in Eligible Customer Sales, then the Participant's ECS% is 63%. Since 63 is 90% of 70, the Participant may be credited with only 90% of otherwise available Business Volume.

63% ÷ 70% = 90%

Example 2: If a Participant's Monthly Product Volume is 100 PV, and that Participant obtains 56 PV in Eligible Customer Sales, then the Participant's ECS% is 56. Since 56 is 80% of 70, the Participant may be credited with only 80% of otherwise available Business Volume.

56% ÷ 70% = 80%

Example 3: If a Participant's Monthly Product Volume is 100 PV, and that Participant obtains 35 PV in Eligible Customer Sales, then the Participant's ECS% is 35%. Since 35 is 50% of 70, the Participant may be credited with only 50% of otherwise available Business Volume.

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35% ÷ 70% = 50%

Example 4: If a Participant's Monthly Product Volume is 100 PV, and that Participant obtains 0 PV in Eligible Customer Sales, then the Participant's ECS% is 0. Since 0 is 0% of 70, the Participant may be credited with 0% of otherwise available Business Volume.

0% ÷ 70% = 0%

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APPENDIX B

[Minimum 11 point font]

From: [an “Amway” domain email address previously used for mass communications]

Subject: Settlement with the Federal Trade Commission and Washington Attorney General

[Date]

Dear Current or Former Amway IBO:

Amway and two of our Approved Providers, World Wide Group (WWG) and Leadership Team Development (LTD), have reached a legal settlement with the Federal Trade Commission (FTC) and the Attorney General of the State of Washington resolving allegations that Amway, WWG, and LTD engaged in unfair or deceptive practices relating to how much IBOs are likely to earn, the recruitment of IBOs, and the creation of false reports of customer sales submitted by IBOs to Amway. In the settlement, Amway, WWG, and LTD do not admit or deny these allegations.

As part of the settlement, Amway will be making changes to its compensation plan and its rules for IBOs in the United States. Many of these changes will not be implemented immediately, and in the coming months Amway will be providing training to current IBOs about the changes.

More information about the lawsuit and the settlement can be found on the FTC’s website [link to Amway Corp. case page].

[Banner/footers used in communications to large numbers of IBOs]

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