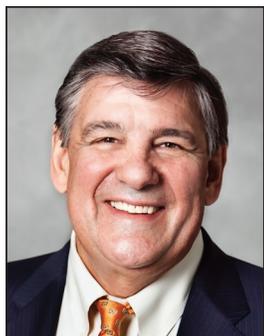




DIRECT SELLING EDUCATION FOUNDATION

Engage. Educate. Empower.



Just as the Direct Selling Association commemorates its 100th anniversary this year, the Direct Selling Education Foundation also has much to celebrate. Projects launched in the first half of 2010 have been met with significant success and will continue to bear fruit for the rest of the year and beyond.

From promoting ethical leadership and consumer advocacy to fostering education and economic empowerment—especially for women—DSEF’s initiatives not only align with the direct selling industry’s values, but serve to highlight those values to the benefit of the public at large.

During my presentation at DSA’s Annual Meeting, I touched on several of these initiatives, and I’d like to take the opportunity to provide you with a few more details about our partnership with the Council of Better Business Bureaus, our newly re-launched Academic Research Program, and our first-ever charitable efforts held in conjunction with the Annual Meeting. Additionally, we’ve enclosed our new DVD, “What Is Direct Selling?” We think you’ll agree that its simple, yet fresh approach captures the spirit of our industry, and we encourage you to share its message with your salesforce and the general public.

All of us at DSEF hope you’ll be as excited as we are by the scope of our 2010 efforts. None of the Foundation’s work would be possible without your board and committee participation, your contribution of time and talent and, of course, your generous financial support—and we thank you. To those of you who are not yet involved with DSEF, we hope you’ll see the value of the projects described in these pages. To help us continue to develop significant initiatives on behalf of the industry, please contribute by filling out the donation form on the last page. Your help is needed—and appreciated.

Sincerely,

Charlie

Charlie Orr
DSEF Executive Director

So We’ve Got a Video—Now What?

◆ **Watch the DVD**

We’ve enclosed a copy of our new video “What Is Direct Selling?” with this mailing. To order additional copies, contact Nancy Laichas at nlaichas@dsef.org.

◆ **Link to it at www.dsef.org**

Click on the “Ethics” banner, then click on “Go to Video Page” for clips.

◆ **Request an MP3 file**

Contact Nancy Laichas at nlaichas@dsef.org for information on how to embed a copy of the video on your company’s Web site.

◆ **Spread the Word**

We hope this video inspires you to share your own direct selling experiences with others.



STAFF

Charles L. Orr
Executive Director
corr@dsef.org

Bettie L. Smith
Senior Program Director
Consumer & Ethical Leadership Initiatives
bsmith@dsef.org

Robin Diamond
Program Director
Education & Women’s Initiatives
rdiamond@dsef.org

Tamara A. Ingram
Program Manager
tingram@dsef.org

Nancy Laichas
Director
Marketing & Communications
nlaichas@dsef.org

OUR MISSION

To serve the public interest by advancing the direct selling industry’s support of consumer rights and protection, education about the industry, ethical leadership and individual economic empowerment.

CONTACT US

1667 K Street, NW, Suite 1100
Washington, DC 20006-1660
Phone: 202 452-8866
Fax: 202 452-9015
www.dsef.org

A TRADITION OF GIVING BACK & DOING GOOD

This year's Annual Meeting was particularly special as direct selling executives and suppliers came together to celebrate 100 years of the Direct Selling Association. In honor of this milestone, DSEF launched two initiatives inspired by the direct selling industry's rich tradition of giving back: Ocean Beach Clean-Up and Outfitting for Opportunity. Both efforts were an incredible success, and the feel-good effects are still resonating throughout the industry and beyond.



Ocean Beach Clean Up

More than 90 top executives from some of America's largest direct selling companies spent the morning of June 6, 2010, cleaning up debris on Ocean Beach, a popular stretch of coastline near San Francisco. In addition to generously donating their time, a portion of their \$100 event registration fee was donated to the Golden Gate National Parks Conservancy.

"By rolling up their sleeves and pitching in to help clean up Ocean Beach, these direct selling executives demonstrated the deep commitment to corporate social responsibility shared by our entire industry," said Charles L. Orr, DSEF Executive Director.

Leaders from the following companies participated: 4Life Research, ACN, Anaheim & Orange County CVB, Association of Women's Business Centers, Atlantic City Convention & Visitors Authority, Avon Products, Bank of America Merchant Services, Captain Tortue Group, CareerBuilders, Carico International, Celadon Road, Celebrating Home, Cognis, Creative Memories, CUTCO/Vector Marketing Corporation, DSEF, DSM Nutritional Products, Fionda, Florida Gulf Coast University, Gardere Wynne Sewell, Gaylord Hotels, Hilton Luxury Brands, Immunotec Inc., Luce & Associates, MaCher USA, Mannatech, Inc., Mary Kay Inc., National Association of Consumer Agency Administrators, Ovation Global DMC, Oxyfresh.com, Quarles & Brady, Red Ventures, Shaklee, Solaraja Persada Jaya (Prime & First Indonesia), Soul Purpose, St. Joseph's University, SUCCESS Foundation, Take Shape for Life, Team National, Thatcher Technology Group, The Kirby Company, The Pampered Chef, The Southwestern Company, University of Louisville, USANA, Vantel Pearls in the Oyster, Wakefield Talabisco and WineShop At Home. Also pitching in were Joan Bernardo, Andy Fekete, Jerry Heffel and Carol Stitt.



Ocean Beach Clean Up participants show their enthusiasm for the event.



DSEF staff and Career Closet representatives with donated items. From left, Jean Cecil, Career Closet; Nancy Laichas, DSEF; Charlie Orr, DSEF; Tamara Ingram, DSEF; Lenore Wilkas, Career Closet; and Bettie Smith, DSEF.

"It's an honor to participate in DSEF activities because each one is designed to educate the public through good works," said Calvin Jolley, Vice President of Communications, 4Life Research. "And like Ocean Beach Clean Up in San Francisco, DSEF activities are always a whole lot of fun."

Outfitting for Opportunity

Prior to the Annual Meeting, DSEF teamed up with Career Closet to benefit local San Francisco women challenged by poverty, lack of education or single parenthood. This joint initiative, Outfitting for Opportunity, was created to provide these women with professional attire, accessories and beauty aids to make a great first impression when exploring new business opportunities.



DSEF sent out the call for help, and you answered. Participating companies included Accentz, Mary Kay Inc., ACN, Inc., PartyLite, All Dazzle, Premier Designs, Amway Global, Rodan & Fields Dermatologists, Anaheim OC CVB, Shaklee Corporation, Avalla LLC, Silpada Designs, Avon Products, Inc., Specialty Merchandise Corp., Belcorp Le'Bel Paris, Step Into Success, Inc., Celebrating Home, Symmetry Corporation, Cutco Cutlery, TARRAH Cosmetics Inc., Daisy Blue Naturals, Team National, Dove Chocolate Discoveries, The Longaberger Company, DSA/DSEF/WFDSA, The Pampered Chef, Dudley, Thirty-One Gifts, LLC, Fionda LLC, urStuff, LLC, Global Collect, Vantel Pearls in the Oyster, ITAGroup, Inc., WineShop at Home, Jafra Cosmetics International, Inc., Xensoft, LLC, Jockey Person to Person, Asha Morgan Moran, lia sophia, Elizabeth Owen.

As a result, we were overwhelmed by donations of suits, jackets, skirts, pants, blouses, accessories and cosmetics—over 8,000 lbs. in all! "This collection is the best we've ever been able to give," said Jean K. Cecil, Executive Director of Career Closet. "So many happy women are still being helped through your gifts." But your gifts were so much more than a number on the scale—your donations provided women with the confidence to pursue new business opportunities that could transform their lives.

DSEF takes the role of industry Goodwill Ambassador seriously, and we'll continue to help bring together the industry for meaningful corporate philanthropy efforts. Visit www.dsef.org to learn more and get involved today! ♦

PARTNERING UP FOR BETTER BUSINESS

Today's savvy consumers are likely to do plenty of research before making buying decisions and the Better Business Bureau (BBB) Web site is often the first place they turn for information and advice they can trust. Now, thanks to a landmark national partnership between DSEF and the Council of Better Business Bureaus (CBBB), those consumers will be able to access a variety of materials to help them better understand direct selling and the importance the industry places on ethics.

BBB and DSEF created a series of articles, videos and PSAs designed to raise awareness about ethical business practices and consumer protection for direct sellers, consumers and those considering a career path in direct selling. These DSEF-sponsored materials are featured online at www.bbb.org/us/, including:

- ◆ A new introductory video on direct selling
- ◆ Video clips from DSEF's Ethics vignettes which highlight components of DSA's Code of Ethics
- ◆ Three YouTube videos, developed by CBBB: "Getting Started," "Data Security" and "Returns and Customer Satisfaction"
- ◆ Consumer tips on such topics as "Protect Yourself. Protect Your Customer," "Is Direct Selling for You? Five Important Questions," and "Getting Started in Direct Selling"

BBB Web Site: Visitor Profile

◆ HOUSEHOLD No Kids 0-17: 63% Has Kids 0-17: 37%	◆ AGE 3-12: 3% 13-17: 3% 18-34: 31% 35-49: 36% 50+: 27%	◆ RACE Caucasian: 78% African-American: 13% Asian: 3% Hispanic: 6% Other: 1%
◆ GENDER Male: 42% Female: 58%	◆ INCOME \$0-30K: 16% \$30K-60K: 27% \$60-100K: 28% \$100K+: 29%	◆ 8 MILLION+ TOTAL PAGEVIEWS/MONTH
◆ EDUCATION No College: 42% College: 44% Grad School: 14%		

BBB Web Site: DSEF Content Metrics

- ◆ **IMPRESSIONS 5/15-8/15:** 1,470,000 (50% over goal)
- ◆ **AVERAGE VIEWING TIME:** Three of the videos, "Consumers and Cooling Off," "Over 15 Million People" and "Buying With Confidence" generated more than twice the average viewing time for all CBBB videos.

Visit www.dsef.org/strategic-partners/ to learn more about the valuable partnerships we've created as Goodwill Ambassadors for the direct selling industry. ◆

BACK TO SCHOOL FOR DIRECT SELLING

The DSEF Research Program for the academic community expands knowledge and understanding of issues that are current and fundamental to the direct selling industry and the greater business community. "We've had a task force of academicians and industry executives working on developing a significant renewal of DSEF's research initiative for the past couple of years," said Greg Marshall, professor at Rollins College and DSEF board member. "The result of this effort is a truly world-class research program that will add substantial value both to the industry and also to our important academic partners."

Connecting academic business research to important industry questions is a key aspect of DSEF's mission and a foundation initiative. For its first year, DSEF invited four scholars to submit proposals based on four research priorities: consumer behavior topics relevant to the direct selling industry; corporate social responsibility and sustainability, as part of ethics; selling and the management of the selling function; and women's entrepreneurship/leadership. DSEF will launch a competitive research program open to academic researchers in 2011.

Project: Developing an Immersive 3D Environment for the Training & Support of Representatives in Direct Selling

Researchers: Dr. Michael R. Solomon, Professor of Marketing and Director of the Center for Consumer Research, and Dr. Natalie T. Wood, Assistant Professor of Marketing, Erivan K. Haub School of Business, Saint Joseph's University in Philadelphia

Develop a demonstration project to explore the capabilities of an immersive 3D environment (a.k.a. "virtual world") for training and support of representatives in a direct selling environment to provide a highly cost-efficient and engaging way to enable participants to role-play sales presentations in a risk-free environment prior to conducting actual sales calls.

Project: Organizational Identification and the Social Network Phenomena in the Field of Direct Selling

Researcher: Dr. Michael Ahearn, Professor of Marketing and Executive Director, Sales Excellence Institute, University of Houston

Considering that informal networks play critical roles in the direct selling context, this project will examine how these networks form among direct salespeople, and what factors determine the growth and strength of such networks in long term.

Project: Advancing Environmental Sustainability in Direct Selling

Researcher: Dr. Mark Starik, Professor and Department Chair of Strategic Management and Public Policy, School of Business, George Washington University

This research project proposes to assess the "ecological footprint" of the industry by focusing on the environmental sustainability goals, strategies and operations of the business organizations and individuals involved in the direct selling of products and services in the United States and to recommend initial strategies that would advance those profiles.

Project: The Influence of Family Orientation on Direct Selling Entrepreneurs

Researcher: Dr. Teresa Nelson, Elizabeth J. McCandless Professor of Entrepreneurship and Director, School of Management's Entrepreneurship Program, Simmons College

How social capital ties, as expressed in the theoretical idea of "familiness," impact the structuring of these relational, distributed networks among sales representatives is the topic of this research. In focus is the role of relationships in maintaining and growing the salesforce of the entrepreneur, and by extension, sales and profits for the entrepreneur and the parent organization. ◆

Contribution & Pledge Form

Mail in your contribution using one of the forms below,
or donate online at www.dsef.org

DSA/DSEF ACTIVE OR SUPPLIER MEMBER CORPORATE SUPPORTER

With your corporate support, DSEF will continue in its mission to enhance acceptance and public awareness of direct selling in the global marketplace.

Thank you for your investment in and continued support of DSEF and the direct selling industry. An invoice is enclosed for your convenience.

- | | | |
|--|--|--|
| <input type="checkbox"/> Benefactors (\$75,000) | <input type="checkbox"/> Supporters (\$15,000 to \$24,999) | <input type="checkbox"/> Friends (\$100 to \$999) |
| <input type="checkbox"/> Patrons (\$40,000 to \$74,999) | <input type="checkbox"/> Donors (\$5,000 to 14,999) | <input type="checkbox"/> Enclosed is my check/pledge in the amount |
| <input type="checkbox"/> Sponsors (\$25,000 to \$39,999) | <input type="checkbox"/> Contributors (\$1,000 to \$4,999) | of \$ _____ |

Name: _____ Company: _____

Address: _____ City: _____ State: _____ ZIP: _____

Phone: _____ Fax: _____

Please make checks payable to: The Direct Selling Education Foundation, 1667 K Street, NW, Suite 1100, Washington, DC 20006. Phone: (202) 452-8866
Fax: (202) 452-9015. **The Direct Selling Education is a not-for-profit 501(c)(3) organization. All contributions are voluntary, and are tax deductible as a charitable donation. The value of goods and services received in exchange for this contribution is \$0.00.**

DSA/DSEF INDIVIDUAL SUPPORTER

With your individual support, DSEF will continue in its mission to enhance acceptance and public awareness of direct selling in the global marketplace.

Please indicate your individual gift category for recognition at DSA's Annual Meeting.

- | | | |
|---|--|--|
| <input type="checkbox"/> Foundation Circle (\$25,000) | <input type="checkbox"/> Director's Circle (\$2,500 to \$4,999) | <input type="checkbox"/> Builder's Circle (up to \$499) |
| <input type="checkbox"/> Chairman's Circle (\$10,000 to \$24,999) | <input type="checkbox"/> Executive's Circle (\$1,000 to \$2,499) | <input type="checkbox"/> Enclosed is my check/pledge in the amount |
| <input type="checkbox"/> President's Circle (\$5,000 to \$9,999) | <input type="checkbox"/> Leadership Circle (\$500 to \$999) | of \$ _____ |

Name: _____ Company: _____

Address: _____ City: _____ State: _____ ZIP: _____

Phone: _____ Fax: _____

Please make checks payable to: The Direct Selling Education Foundation, 1667 K Street, NW, Suite 1100, Washington, DC 20006. Phone: (202) 452-8866
Fax: (202) 452-9015. **The Direct Selling Education is a not-for-profit 501(c)(3) organization. All contributions are voluntary, and are tax deductible as a charitable donation. The value of goods and services received in exchange for this contribution is \$0.00.**

Board of Directors 2010–2011

James E. Stitt, Chair

CUTCO/Vector Marketing Corporation

Sarah Baker Andrus, Vice Chair

CUTCO/Vector Marketing Corporation

Deborah T. Ashford, Counsel

Hogan Lovells US LLP

Maria Canabal, Ph.D.

Texas State University, San Marcos

Brett R. Chapman

Herbalife International of America, Inc.

Heather Chastain

Celebrating Home

Doris K. Christopher, Immediate Past Chair

The Pampered Chef

Angela Loehr Chrysler

Team National

Albert DiLeonardo

CUTCO/Vector Marketing Corporation

Eunice M. Dudley

Dudley Beauty Corp, LLC

Susan G. Duffy, Ph.D.

Simmons College

Marjorie L. Fine

Shaklee Corporation

John T. Fleming

Direct Selling News

J. Stanley Fredrick, Vice Chair

Mannatech, Inc.

Katharine L. Gardner

Success Foundation

Kelly Harte

Avon Products, Inc.

Jerry Kelly

Silpada Designs

Thomas F. Kelly

Avon Products, Inc.

Robert H. King

Catherine R. Landman
The Pampered Chef

W. Alan Luce

Luce & Associates

Joseph N. Mariano, Secretary
Direct Selling Association (DSA)

Greg W. Marshall, Ph.D.

Rollins College

David R. Merriman

ACN, Inc.

Scott Montgomery

Reliv International, Inc.

Dan Moore

The Southwestern Company

Nathan P. Moore, Vice Chair

Mary Kay Inc.

Daniel L. Murphy, Treasurer

Immunotec, Inc.

James A. Northrop

Immunotec, Inc.

Neil H. Offen, Vice Chair

Direct Selling Association (DSA)

Elizabeth Owen

National Association of Consumer
Agency Administrators (NACAA)

Robert G. Shumay

The Kirby Company

Sandy Spielmaker

Amway

Connie Tang

Jafra Cosmetics International, Inc.

S. Kerry Tassopoulos

Mary Kay Inc.

David A. Wentz, Past Chair

USANA Health Sciences, Inc.