



AdvoCare to Revise Business Model

New Compensation Plan to Focus on Direct-to-Consumer Sales

PLANO, Texas (May 17, 2019) – Today, AdvoCare International announces a revision of its business model from multi-level marketing to a direct-to-consumer and single-level marketing compensation plan. AdvoCare has been in confidential talks with the Federal Trade Commission about the AdvoCare business model and how AdvoCare compensates its Distributors. The planned change will impact Distributors who have participated in the multi-level aspect of the business. Those who currently sell only to customers will not be impacted and there will be no impact on Preferred Customers or retail customers' ability to purchase products.

“Over the years, we have made many changes to the AdvoCare policies as the regulatory environment has shifted. Based on recent discussions, it became clear that this change is the only viable option,” says Patrick Wright, AdvoCare’s Chief Executive Officer. “Regardless of the model, we remain steadfastly committed to providing our high-quality nutritional products to our loyal customers who are seeking to live healthier lives. We stand behind the integrity and values of this company and will continue to work with our dedicated Distributors to provide the best customer service to ensure AdvoCare products are available for decades to come.”

The company gave notice to its more than 100,000 Distributors on May 17 that, effective July 17, 2019, AdvoCare will revise the business model to a single-level distribution model, paying compensation based solely on sales to direct customers. The Retail and Preferred Customer programs will remain intact with discounts ranging from 20 - 40 percent. This new business model will allow the company to explore new and innovative ways to bring their premium products to market.

“AdvoCare Distributors have been helping change live since its founding in 1993, by providing premium wellness products to those looking to reach new health and fitness goals – and that will not change,” says AdvoCare’s former CEO and current Chairman of the Board Reid Ward. “We’re proud of the growth of our Preferred Customer program we launched in 2016 and has grown to almost 400,000 discount customers. We look forward to reaching even more customers with a new business model.”

About the AdvoCare International, L.P.

At AdvoCare, We Build Champions®. Backed by the most credible scientific research and internationally recognized Scientific and Medical Advisory Board, AdvoCare offers premium nutritional, weight-management and sports-performance products. AdvoCare is a family-owned company founded in 1993 and is headquartered in Plano, Texas. For more information about AdvoCare, visit advocare.com. Connect with AdvoCare on Facebook, Twitter and Instagram for latest news and product updates. Visit the Renew by AdvoCare blog for inspirational content featuring fitness and wellness tips, motivation, testimonials, recipes and more.

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