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MEASURE: HB 3141
EXHIBIT: 30
H BUSINESS & LABOR
DATE: 3-15-2013 PAGES: 8
SUBMITTED BY: Valerie Hayes

March 15, 2013

Members of the House Business and Labor Committee

Re: Comments in support of H 3141 related to direct sellers

Dear Members of the Business and Labor Committee:

The Direct Selling Association ("DSA") would like to **voice its support for H 3141 sponsored by this Committee**. The bill would clarify the direct seller exemption for purposes of unemployment compensation in Oregon as well as incorporate the exemption into Oregon's workers compensation statutes.

The proposed amendment to Oregon law would be in conformance with the direct seller exemptions in 33 other states, including California, Idaho, Nevada and Washington. The amendment clarifies that direct sellers include people who are selling consumer goods or selling services. It also clarifies that the exemption applies to sales that take place in the home or somewhere other than a fixed retail establishment.

In order to be subject to the exemption, the direct seller cannot receive compensation in the form of salary or wages. Compensation must be based on commissions, overrides (commission earned by an executive in addition to the commission received by a subordinate sales person) or a share of profits for orders or sales made by the direct seller. The direct seller can sell consumer goods such as cosmetics, dietary supplements, cookware and numerous others. In addition, the direct seller can sell services, such as financial services, utilities, travel services and the like. The sales of these goods and services can take place in a home or outside of a fixed retail establishment. Anyone selling goods or services in a brick-and-mortar store would not be subject to the direct seller exemption under H 3141.

The Direct Selling Association is the national trade association representing companies that sell their products and services through independent contractors through personal presentation and demonstration, usually in the home. These direct selling companies, with close to 16 million individual American direct sellers, include some of the nation's most well-known brands. Our industry generates nearly \$30 billion each year in domestic sales and \$115 billion in worldwide sales. The almost 267,000 Oregon residents who sell for these companies are independent contractors who typically sell on a part-time basis to their neighbors, relatives and friends to supplement their family incomes, generating approximately \$433.1 million in sales in Oregon each year.

Direct sellers do not participate in states' unemployment compensation system or workers compensation system based on their direct selling activities because they are not employees of the direct selling company. Direct sellers are independent contractors who operate their own businesses. They decide what products they want to sell, the hours they want to work and the people to whom they want to sell products. On average, individual direct sellers make about \$1,500 per year before taxes. The amendments proposed by H 3141 clarify that direct sellers are not considered employees for purposes of unemployment compensation and workers compensation.

DSA appreciates the House and Labor Committee's support in sponsoring H 3141 and holding this hearing. In order to provide clarity and consistency to the business community, state regulators and the 267,000 direct sellers in Oregon, **the Direct Selling Association encourages you to support H 3141.**

Sincerely,

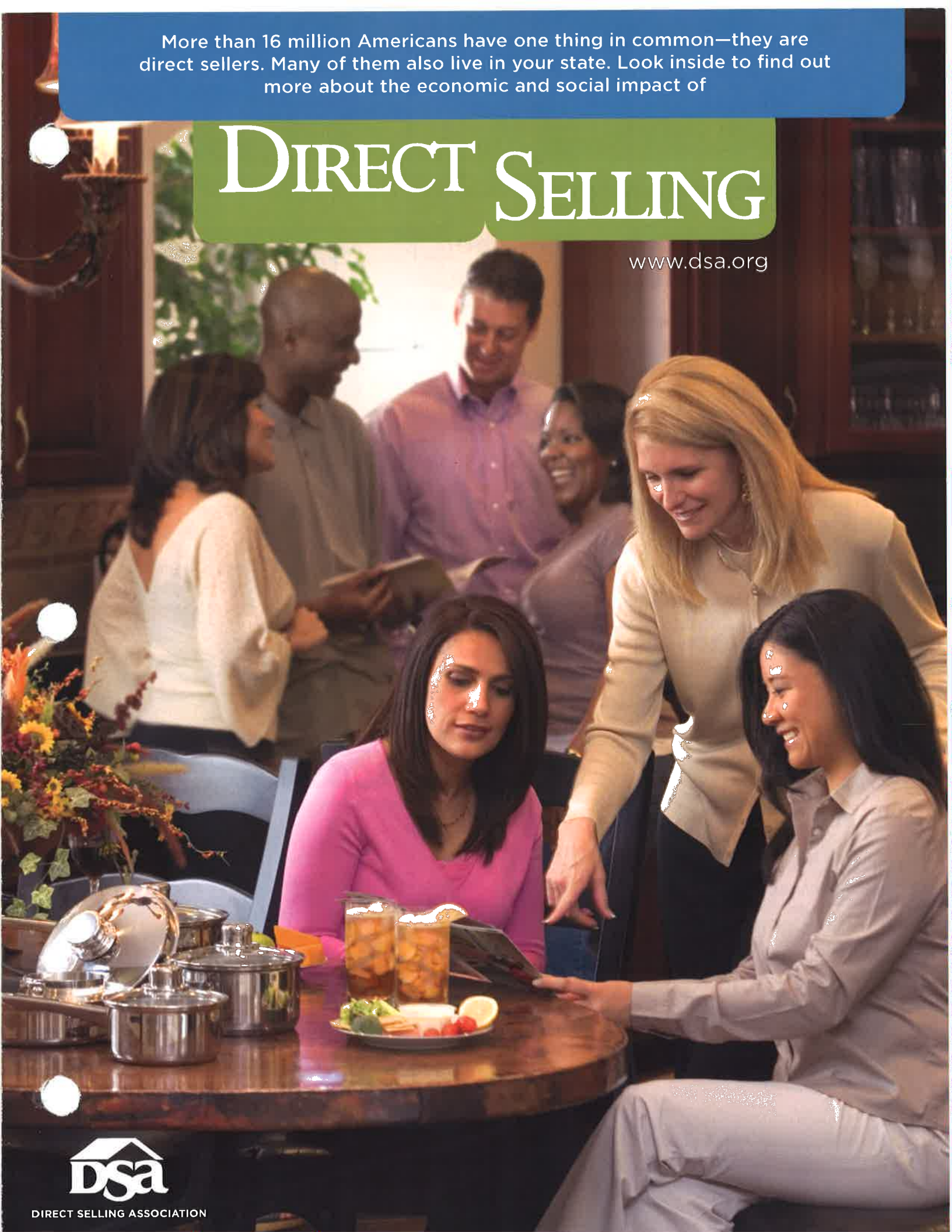
A handwritten signature in cursive script that reads "Valerie Hayes".

Valerie Hayes, CAE
Senior Director, Global Regulatory Affairs
Direct Selling Association

More than 16 million Americans have one thing in common—they are direct sellers. Many of them also live in your state. Look inside to find out more about the economic and social impact of

DIRECT SELLING

www.dsa.org



DIRECT SELLING ASSOCIATION



DIRECT SELLING ASSOCIATION

A State-by-State Listing of DSA Member Companies

ALABAMA

Initial Outfitters
Willow House

ARIZONA

FreeLife International
Gold Canyon
Isagenix International
Orenda International, LLC
TriVita, Inc.

ARKANSAS

Blessings Unlimited

CALIFORNIA

Arbonne International, LLC
Beachbody LLC
Become International, Inc.
Beijo, Inc.
Belcorp USA
Cookie Lee, Inc.
Enagic USA Inc.
For Every Home
Gano Excel USA, Inc.
Gigi Hill, Inc.
Global Domains
International, Inc.
GNLD International
Herbalife
JAFRA Cosmetics
International, Inc.
Life Force International
LifeWave, Inc.
Nefful U.S.A., Inc.
Nikken, Inc.
Noevir USA, Inc.
Pink Papaya, LLC
POLA U.S.A., Inc.
Rodan + Fields Dermatologists
SeneGence International
Shaklee Corporation
Smart Living Company
Stella & Dot
Stemtech HealthSciences, Inc.
Sunrider International
Symmetry Corporation
Vantani, Inc.
WineShop At Home
YOR Health

COLORADO

Rendi, Ltd.
Tomboy Tools, Inc.

CONNECTICUT

Viridian Network, LLC

DELAWARE

Traci Lynn Fashion Jewelry

FLORIDA

Amazon Herb Company
Carico International
GeneWize Life Sciences, Inc.

FLORIDA (CONT'D.)

Jeunesse Global
Lifemax, Inc.
The Limu Company, LLC
SwissJust
Talk Fusion
Team National
Vorwerk USA Co., L.P.

GEORGIA

Aloette Cosmetics, Inc.
Initials, Inc.
Maddy Moo Creations
Primerica, Inc.

IDAHO

Kyani
Melaleuca, Inc.
Oxyfresh.com/21Ten Inc.
Scentsy, Inc.

ILLINOIS

AtHome America Corporation
John Amico Haircare Products
lia sophia
The Pampered Chef
Paperly
Signature HomeStyles
Votre Vu
World Book, Inc.

IOWA

Lionne Designs
Simply Said, LLC

KANSAS

The Fuller Brush Company
Silpada Designs

MARYLAND

Take Shape for Life, Inc.-
Medifast

MASSACHUSETTS

Barefoot Books
Celadon Road, Inc.
PartyLite Gifts, Inc.
Phoenix Trading
Princess House, Inc.
Traveling Vineyard
Vantel Pearls in the Oyster
Zyrra

MICHIGAN

Amway
Clever Container
Demarle At Home, Inc.
Essential Bodywear
Loving Works, LLC
Rexair LLC

MINNESOTA

Aihu, Inc.
Conklin Company, Inc.
Creative Memories

MINNESOTA (CONT'D.)

Daisy Blue Naturals
Enzacta USA
Tastefully Simple, Inc.
Thrivent Financial at Home

MISSOURI

Jordan Essentials
Reliv International, Inc.
U Design Jewelry

NEW HAMPSHIRE

Soul Purpose Lifestyle, Inc.

NEW JERSEY

Dove Chocolate Discoveries
Rastelli Direct

NEW YORK

5LINX Enterprises, Inc.
All Dazzle
Avon Products, Inc.
CUTCO/Vector
Marketing Corporation
HTE USA
Stanley Home Products
Tealightful Inc.

NORTH CAROLINA

ACN, Inc.
AZULI SKYE
Dudley Beauty Corp, LLC

OHIO

Gourmet Coffee Stations
The Kirby Company
The Longaberger Company
Thirty-One Gifts

OKLAHOMA

AMS Health Sciences Inc.
Usborne Books and More

OREGON

Simplexity Health

PENNSYLVANIA

3000BC
H2O at Home
PM-International Nutrition and
Cosmetics
Sabika, Inc.
Set to a Tea

RHODE ISLAND

Latasia & Company
Touchstone Crystal, Inc.
Wildtree Herbs, Inc.

SOUTH DAKOTA

Fifth Avenue Collection, Inc.

TENNESSEE

NSA
Southwestern Advantage

TEXAS

AdvoCare International, LP
Ambit Energy
Avalla
Celebrating Home
HomeTec
Kitchen Fair (Regal Ware, Inc.)
Mannatech, Inc.
Mary Kay Inc.
Mia Mariu
NHT Global, Inc.
Premier Designs, Inc.
RBC Life
Saladmaster, Inc.
(Regal Ware, Inc.)
Sozo Global, LLC
Sportron International, Inc.
Stream Cosmetics, LLC
Tristar Enterprises, LLC
Vollara, LLC
Zermat International, LLC

UTAH

4Life Research, LLC
Agel Enterprises, LLC
Big Planet (Division of Nu
Skin Enterprises)
LifeVantage Corporation
Morinda Bioactives
Nature's Sunshine
Products, Inc.
Neways Worldwide
Nu Skin Enterprises
Pharmanex (Division of Nu
Skin Enterprises)
Send Out Cards
Stampin' Up!
Synergy WorldWide
Unicity International, Inc.
USANA Health Sciences, Inc.
XANGO LLC
Zrii

VIRGINIA

Aerus LLC (formerly
Electrolux LLC)

WASHINGTON

Rena Ware International, Inc.
SimplyFun, LLC
Univera

WISCONSIN

DeTech, Inc.
Hy Cite Corporation
Jockey Person To Person
L'Bri Pure N' Natural
Regal Ware, Inc.

FACT SHEET

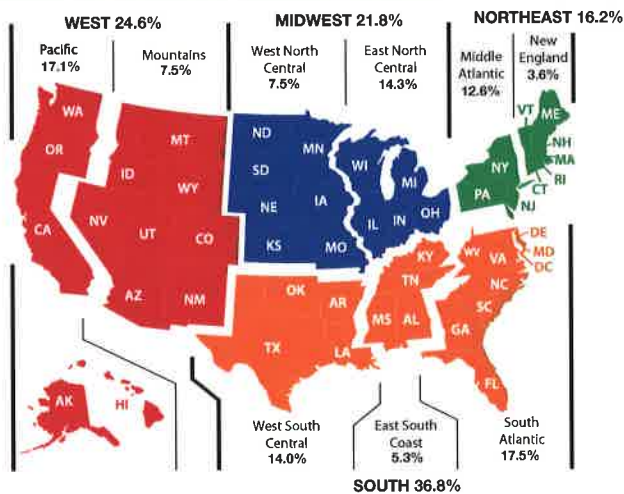
U.S. DIRECT SELLING IN 2011



2011 U.S. DIRECT SALES



PERCENT OF SALES BY CENSUS REGION



PERCENT OF SALES BY MAJOR PRODUCT GROUP

	2009	2010	2011
Home & family care/home durables	23.9	24.4	22.6
Wellness (i.e. weight loss products, vitamins, etc.)	22.8	23.0	24.1
Personal care	21.3	19.4	18.2
Services (i.e., travel, real estate, group buying, utilities & financial services) & other	18.4	19.2	20.7
Clothing & accessories	10.3	11.0	12.3
Leisure/educational	3.3	3.0	2.1

PERCENT OF SALES BY SALES STRATEGY

	2009	2010	2011
Individual/person-to-person	64.3	63.5	64.9
Party plan/group selling	25.4	27.9	30.9
Other	10.3	8.6	4.2

PERCENT OF SALES, DIRECT SELLERS AND FIRMS BY TYPE OF COMPANY COMPENSATION PLAN*

	Sales	Sellers	Firms
Multilevel	95.4	98.7	95.7
Single level	4.6	1.3	4.3

*A direct selling company may use a multilevel plan or a single-level plan or both to compensate direct sellers. A direct selling company offering a multilevel compensation plan is classified as multilevel even if it offers a single-level plan as well.

2011 U.S. DIRECT SELLERS



Source: 2011 Growth & Outlook Survey Report: U.S. Direct Selling in 2011 and other sources. Find more information online at: www.dsa.org/statistics/

*2010 Direct Sellers by Race data is from the 2010 Growth & Outlook Survey. Race data was not collected in 2011. U.S. Census percentages do not sum to 100% because category "two or more races" is not shown.

For further information contact

Amy M. Robinson, Chief Marketing Officer

PERCENT OF DIRECT SELLERS BY RACE

	2010	2010 US census*
White non-Hispanic	73.5	63.8
Hispanic	14.2	8.7
Black or African American	7.1	12.6
Asian or Pacific Islander	3.1	4.9
American Indian/Alaska Native	0.5	0.9
Other/unknown	1.6	6.2

PERCENT OF DIRECT SELLERS BY GENDER

	2008	2009	2010	2011
Female	86.4	82.4	81.8	78.1
Male	13.6	17.6	18.2	21.9

PERCENT OF DIRECT SELLERS BY TIME WORKED

	2008	2009	2010	2011
Part-time	91.1	92.5	91.1	88.8
Full-time	8.9	7.5	8.9	11.2



DSA Members Adhere to a Rigorous Code of Ethics

To protect both consumers and sellers, the Direct Selling Association (DSA) has established a mandatory Code of Ethics.

An independent Code Administrator, not connected to any member company, investigates and seeks to resolve any complaints to the satisfaction of everyone involved. Members agree to abide by all Code Administrator decisions.

A Strong Commitment by Members and Sellers

- Prospective members must complete a minimum one-year pending period during which the company's business plan is reviewed to ensure compliance with the Code. Active members must comply with the Code as a condition of continuing membership.
- Each DSA member appoints a Code Responsibility Officer (CRO) who communicates the tenets of the Code of Ethics to employees and their independent salesforce members.
- Displaying the DSA logo is a privilege given only to companies that honor the Code of Ethics. It should be regarded as a pledge to do right and a promise to make a situation right in the event a problem does arise.

DSA Consumer "Bill of Rights"

The DSA Code of Ethics establishes that direct sellers must:

- Tell prospective customers who they are, why they are approaching them and what products they are selling.
- Explain how to return a product or cancel an order.
- Respect privacy by calling at a time that is convenient for the customer.
- Promptly end a demonstration or presentation at the customer's request.
- Provide accurate and truthful information regarding the price, quality, quantity, performance and availability of their product or service.
- Offer a written receipt in plain language.
- Provide his or her name and contact information, as well as the contact information of the company he or she represents.
- Offer a complete description of any warranty or guarantee.

How to File a Code Complaint With DSA

- Contact the seller immediately and explain your concerns.
- If the seller cannot or will not correct the problem to your satisfaction, contact the company, explain the situation and outline the steps you would like to see taken.
- If a DSA member company does not resolve your problem, visit the DSA website at www.dsa.org/ethics and file a complaint online, or send a complaint by mail.
- Your information will be forwarded to the DSA Code Administrator who will investigate the situation and contact you directly.



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About the Direct Selling Association

The Direct Selling Association (DSA) is the national trade association of the leading firms that manufacture and distribute goods and services sold directly to consumers. Almost 200 companies are members of the association, including many well-known brand names.

“To protect, serve and promote the effectiveness of member companies and the independent business people they represent. To ensure that the marketing by member companies of products and/or the direct sales opportunity is conducted with the highest level of business ethics and service to consumers.”

This is DSA’s mission and the cornerstone of the Association’s commitment to ethical business practices and consumer service is its Code of Ethics. Every member company pledges to abide by the Code’s standards and procedures as a condition of admission and continuing membership in the Association.

DSA Government Relations Contacts

Direct selling companies make an important contribution to local and global economies. DSA is pleased to represent these interests before governments at all levels—federal, state and local. For more information on direct selling, please feel free to contact any of the DSA Government Relations staff members listed below.

- **Joseph Mariano, President**
Direct Phone: (202) 416-6419
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- **Adolfo Franco, Executive Vice President**
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- **Valerie Hayes, Senior Director, Global Regulatory Affairs**
Direct Phone: (202) 416-6408
vhayes@dsa.org
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