Questions

1 In a narrative format, discuss the key facts and critical issues presented in the case. What were William Ackman’s accusations against Herbalife? Why are multilevel compensation plans often confused with illegal pyramid schemes?

2 Assume that you are a part of Herbalife’s top management team responsible for responding to these accusations. Craft a response.

3 Compare Herbalife to BurnLounge discussed in the case. What are the key differences between the two companies?