



ValidationInstitute

2026 - 2027 Validation Report

Review for: Disclosure Facts

Validation Achieved: Savings & Outcomes

Valid through: January 2027

Company Profile

Disclosure Facts

Category:	Compliance
Website:	https://www.disclosurefacts.com
Public or Private:	Private
Year Established:	2021
CEO:	Kaeya Majmundar
Company contact:	kaeya@disclosurefacts.com

Description Provided by the Company:

Disclosure Facts provides advertising risk and compliance infrastructure by establishing structured, standardized commercial context for high-velocity, high-variance advertising environments, including influencer-led and creator-driven campaigns.

The platform governs how commercial context is defined, captured, and preserved at the time of advertising execution through structured, standardized processes. Businesses establish verified accounts, invite authorized team members and creators, and define permissible parameters governing commercial relationships and disclosures. Creators generate disclosure labels within these constraints, and all selections, permissions, and label versions are time-stamped and system-logged at the point of creation.

Each disclosure renders in a fixed, standardized format with consistent field structure across all instances. The format is designed to be simultaneously human-legible and machine-readable at scale and does not vary by platform,



Company Profile

advertising content, creator, or time.

Commercial context records are preserved independently of the advertising placement itself and are accessible through a publicly searchable database. In addition to record generation and preservation, Disclosure Facts provides structured response mechanisms that allow parties to retrieve and reference commercial context records in a consistent manner when scrutiny occurs, preserving continuity between execution and review without reliance on post-hoc reconstruction.





Claim Assertion for Validation

Advertisers that use Disclosure Facts for influencer and creator-led marketing are more likely to satisfy shared informational sufficiency requirements at the first response to advertising scrutiny than comparable advertisers running similar campaigns without Disclosure Facts.



Method / Calculation / Examples

To evaluate whether structured, standardized disclosure execution enables single-response sufficiency under advertising scrutiny, a mixed-methods evaluation was conducted.

Disclosure execution was treated as a structured, standardized representation of commercial context, specifically designed to clarify the material connection between the creator / influencer and the advertiser paying them.

To isolate disclosure execution effects, advertising risk was decomposed into four independent categories:

1. Disclosure execution
2. Claim substantiation
3. Product experience
4. Endorsement authenticity

Risks associated with categories (2)-(4) were held constant in states that fall short of consumer and regulatory expectations.

Scrutiny scenarios were framed around allegations that influencer content misrepresented its commercial nature, leading consumers to perceive endorsements as authentic, unsponsored opinions and to make purchasing decisions resulting in perceived economic harm. This framing reflects disclosure adequacy failure patterns alleged in recent consumer class action filings involving influencer marketing.

Across all evaluated conditions, advertising creative, messaging, aggressiveness, velocity, and intent were held constant. Only disclosure

Method / Calculation / Examples

execution structure and response continuity mechanisms were systematically varied.

Part I: Behavioral Research Study

To evaluate differences in consumer understanding and reported escalation behavior, a behavioral research study was conducted with 302 participants across two groups:

- Consumers (n = 148): Individuals regularly exposed to influencer advertising
- Influencer Marketing Managers (n = 154): Professionals responsible for creator partnerships at mid-market to Fortune 500 consumer brands

The study employed a 7-week stepped-wedge field design. Participants completed structured surveys and task-based exercises framed as job-relevant advertising disclosure and review scenarios. Participants were not informed of the study hypothesis.

Two disclosure execution approaches were evaluated:

1. Unstructured, Non-Standardized Disclosure Execution (Status Quo)
2. Structured, Standardized Disclosure Execution (Disclosure Facts)

Primary behavioral outcomes included consumer comprehension of the commercial nature of the content at first exposure, time to comprehension, and reported likelihood of escalation due to perceived economic harm.

Method / Calculation / Examples

Part II: Modeled Escalation Under Observed Disclosure Failure Patterns

Observed behavioral differences from the behavioral study were used as inputs to comparative escalation pathway and response-sufficiency models evaluating downstream operational effects over a 12-month period following the study period.

Modeled scenarios are grounded in disclosure adequacy failure patterns alleged in recent influencer marketing class actions, including claims that disclosures were omitted, buried, inconsistent, or insufficiently conspicuous at the time of consumer exposure.

The models do not estimate legal liability, damages, enforcement outcomes, or litigation likelihood. Instead, they translate observed differences in comprehension and escalation propensity into illustrative estimates of whether scrutiny can be resolved at first scrutiny response under equivalent disclosure adequacy allegations.

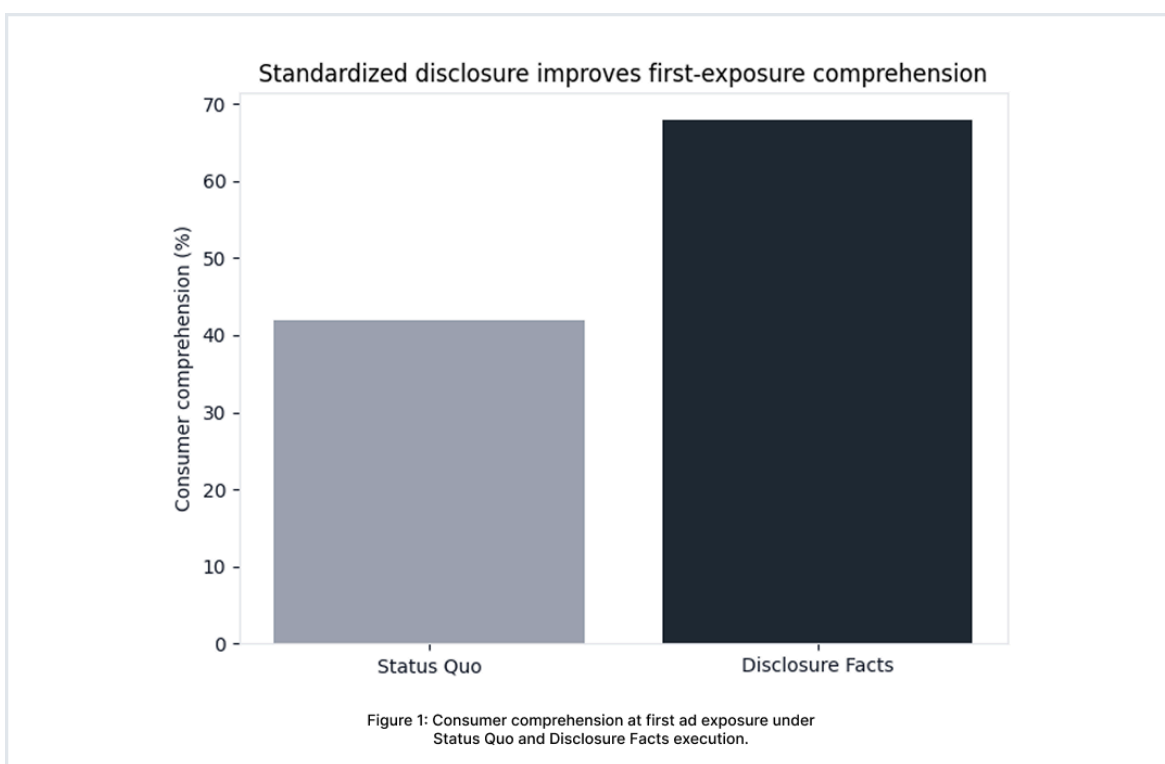
All modeled scenarios assume constant advertising content, perceived harm, and scrutiny triggers. Only the presence or absence of a standardized, contemporaneously generated disclosure record and associated response continuity mechanisms was varied.



Findings

Part I: Behavioral Findings (Observed)

Figure 1 shows consumer comprehension at first ad exposure under Status Quo disclosure practices versus standardized Disclosure Facts execution.



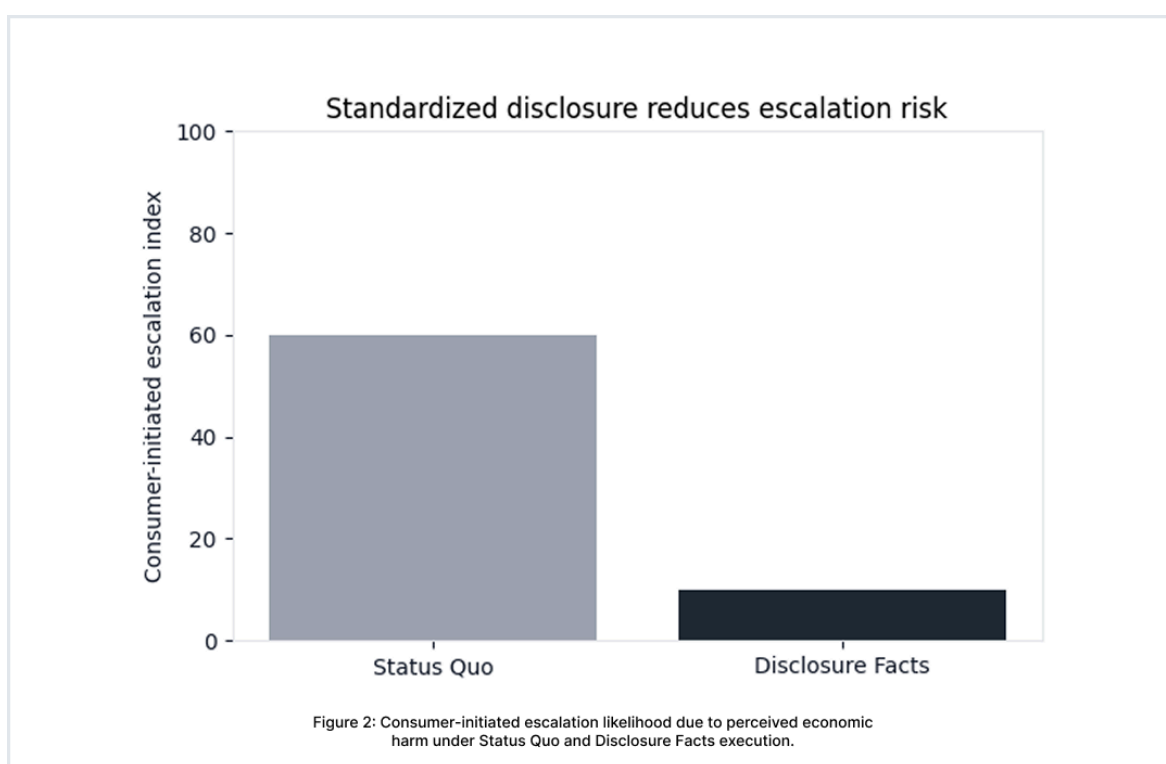
Across tested conditions, observed consumer comprehension under Disclosure Facts execution exceeded comprehension under all tested Status Quo disclosure formats. Observed differences corresponded to an absolute increase of approximately 35-80 percentage points and a relative lift of approximately 1.6×-9×, depending on disclosure baseline and content context.

Measured comprehension under Disclosure Facts execution occurred within seconds of first exposure.



Findings

Figure 2 shows reported consumer-initiated escalation likelihood following exposure to influencer advertising, measured as the likelihood of escalating due to perceived economic harm.

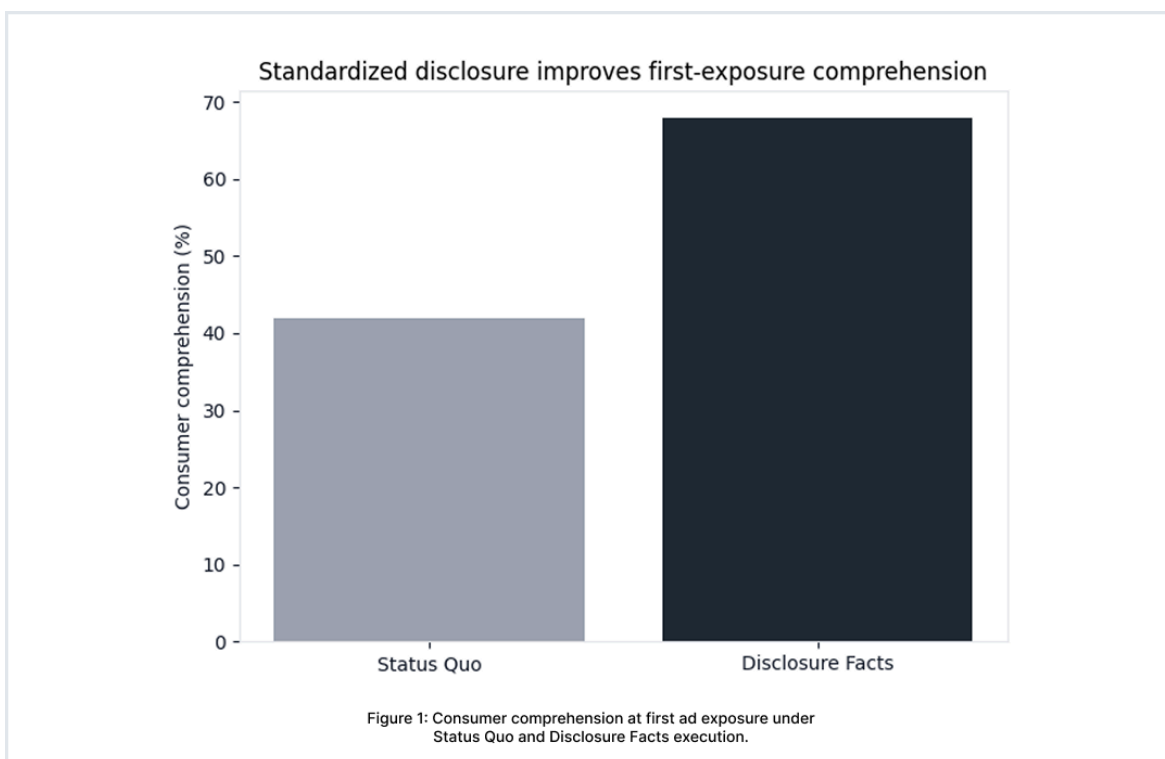


Under Status Quo disclosure execution, reported escalation likelihood ranged from approximately 40-80 on the escalation index. Under Disclosure Facts execution, reported escalation likelihood was approximately 10 under identical content conditions.

Participants were asked: “How likely would you be to escalate this issue (e.g., file a complaint, report the post, seek remediation) due to perceived economic harm from this influencer content?”

Findings

Figure 3 shows relative escalation risk under Disclosure Facts execution compared to Status Quo practices, controlling for identical dissatisfaction and perceived economic harm conditions.



Under controlled conditions, relative escalation risk under Disclosure Facts execution ranged from approximately 0.13×-0.25× compared to Status Quo disclosure practices.



Findings

Part II: Scenario Outputs (Modeled)

Figure 4 models disclosure artifact availability at the time of scrutiny across different lifecycle stages.

Figure 4		
Lifecycle Stage at Time of Scrutiny	Status Quo	Disclosure Facts
At content publication	3,938	1,125
After influencer payment issued	2,025	1,125
After contract expiration	900	1,125

Values represent the number of posts for which a disclosure artifact is available for reference at the time of scrutiny under each execution model.





Findings

Figure 5 models escalation persistence beyond first scrutiny response under equivalent scrutiny conditions.

Figure 5		
Metric	Status Quo	Disclosure Facts
Posts triggering scrutiny	1,250	1,250
Matters resolved at first response	687	1,238
Matters requiring escalation beyond response	563	12
Relative escalation risk	1.00×	0.02×

Values are derived by applying observed escalation rates from Part I to the modeled cohort.





Findings

Figure 6 models senior resource time required to support first scrutiny response review under equivalent scrutiny conditions.

Figure 6		
Metric	Status Quo	Disclosure Facts
Posts triggering scrutiny	1,250	1,250
Matters requiring first-response review	1,250	1,250
Avg. senior hours per matter (first response)	3.6	0.08
Total senior-resource hours (annual)	4,504	96

Note: Senior resources include internal or external personnel involved in first scrutiny response review.

Time reflects modeled hours required for evidence assembly, review, and referencing at first scrutiny response.





Findings

Summary:

Observed and modeled results report differences between Status Quo disclosure practices and standardized disclosure execution under Disclosure Facts across behavioral and operational measures.

First scrutiny response artifact availability	1.25× higher under Disclosure Facts
Escalation beyond first scrutiny response	47× lower in modeled outcomes
Senior resource time	47× lower in modeled outcomes

Note: Observed behavioral measurements are reported in Part I. Modeled scenario outputs are reported in Part II.



Validation

Validation Institute has reviewed the findings carefully and concludes that Disclosure Facts without question dramatically reduces the derivative risk faced by brands due to influencer overreach.

This does not mean that risk is eliminated, but rather holding other factors like claim truth and endorsement authenticity constant (see Limitations), the reduction in risk is substantial enough that premiums for an experience-rated insurance policy should decline, or increase less than peer policies, following a period of use of Disclosure Facts (along with VI's ersatz "co-insurance" in the form of the \$100,000 Credibility Guarantee). The period of use will depend on the size of the brand, the number of influencers, and claims history.

Limitations

Findings are comparative and directional and are intended to report observed and modeled differences in disclosure execution under conditions of scrutiny. This evaluation does not assess claim accuracy, product performance, endorsement authenticity, legal compliance determinations, enforcement outcomes, or liability exposure. It does not evaluate whether any individual reviewer's full informational requirements were satisfied beyond the shared sufficiency standard applied at first scrutiny response. Actual outcomes may vary by advertiser, jurisdiction, platform, and campaign context.

Works Cited

1. Federal Trade Commission.

Disclosures 101 for Social Media Influencers

https://www.ftc.gov/system/files/documents/plain-language/1001a-influencer-guide-508_1.pdf

2. Federal Trade Commission.

Enforcement Policy Statement on Deceptively Formatted Advertisements.

https://www.ftc.gov/system/files/documents/public_statements/896923/151222deceptiveenforcement.pdf

3. Federal Trade Commission

Endorsement Guides

<https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>

4. Federal Trade Commission

Trade Regulation Rule on the Use of Consumer Reviews and Testimonials

https://www.ftc.gov/system/files/ftc_gov/pdf/r311003consumerreviewstestimonialsfinalrulefrn.pdf

5. The National Advertising Division

2025 Influencer Trust Index

https://bbbprograms.org/getmedia/534acbf7-efdb-45aa-a40e-68394ff56f47/2025_InfluencerTrustIndex.pdf

Works Cited

6. The New York State Senate

Senate Bill S8420A: Disclosure of Synthetic Performers in Advertising

<https://legislation.nysenate.gov/pdf/bills/2025/S8420A>

7. TikTok

Ad Disclaimers in TikTok Ads Manager

<https://ads.tiktok.com/help/article/about-ad-disclaimers-in-tiktok-ads-manager>

8. TikTok

2025 Policy Updates

<https://newsroom.tiktok.com/create-discover-and-connect-on-tiktok-with-simpler-and-stronger-community-guidelines?lang=en>

9. TikTok

Content Disclosure Setting for Creators

<https://ads.tiktok.com/help/article/about-the-content-disclosure-setting-for-creators>



Validation and Credibility Guarantee

Disclosure Facts achieved validation for **Savings & Outcomes** (in the form of liability risk reduction). Validation Institute is providing a \$100,000 Credibility Guarantee that retaining Disclosure Facts will substantially reduce your exposure. To learn more, visit:

<https://validationinstitute.com/credibility-guarantee/>.

Savings

Can reduce advertising liability exposure by lowering dispute escalation, follow-on reviews, and the senior-level time required to resolve ad scrutiny.

Outcomes

Product/solution has measurably improved outcomes of importance, including advertising dispute escalation risk, response sufficiency, and executive time intensity.



CERTIFICATE OF VALIDATION

Applicant:

Disclosure Facts

1642 R. St NW Washington DC, 20009

Claim:

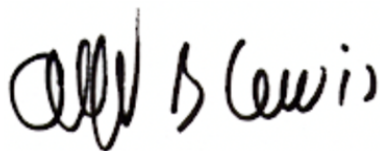
Advertisers that use Disclosure Facts for influencer and creator-led marketing are more likely to satisfy shared informational sufficiency requirements at the first response to advertising scrutiny than comparable advertisers running similar campaigns without Disclosure Facts.

Validation Achieved:

Validated for Savings & Outcomes

Validation Award Date:

January 2026



Al Lewis

Founder & Validator-In-Chief

Validation Institute



About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

Validation Review Process

Validation Institute has a team of epidemiologists and statisticians who review each program. The team focuses on three components:

- Evidence from published literature that a similar intervention had similar results.
- The reliability and credibility of the data sources.
- The rigor of the approach to calculating results.

To achieve validation, the program has to satisfy each of these components. VI's team then summarizes the review into a report which is publicly available. Details of VI's review are available with the program's permission.