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Objet: MLM STUDY LETTER (Conclusion)

**8K A WEEK** 

### THE RELIEF TEAM

## www.nazoraean.com/financialfreedom.html

Greetings 'Relief Team'! It is my pleasure to invite you to peruse this short but comprehensive MLM Study Letter. All comments and questions concerning this study are appreciated.

# **Compensation plans**

Companies have devised a variety of MLM compensation plans over the decades.

- <u>Unilevel plans</u> This type of plan is often considered the simplest of compensation plans. As the name suggests, the plan allows a person to sponsor one line of distributors, called a "frontline." Every distributor the person sponsors is considered to be on that sponsor's frontline and there are no width limitations, meaning there is no limit to the amount of people one can sponsor in the frontline. The common goal of this plan is to recruit a large number of frontline distributors and then encourage them to do the same. This is due to the fact that commissions are normally paid out on a limited depth, which typically means sponsor can earn commissions on sales between 5 and 7 levels deep.
- Stairstep Breakaway plans This type of plan is characterized as having representatives who are responsible for both personal and group sales volumes. Volume is created by recruiting and by retailing product. Various discounts or rebates may be paid to group leaders and a group leader can be any representative with one or more downline recruits. Once predefined personal and/or group volumes are achieved, a representative moves up a commission level. This continues until the representative's sales volume reaches the top commission level and "breaks away" from their upline. From that point on, the new group is no longer considered part of his upline's group and the multi-level compensation aspect ceases. The original upline usually continues to be compensated through override commissions and other incentives.
- <u>Matrix plans</u> This type of plan is similar to a Uni-Level plan, except there
  is also a limited number of representatives who can be placed on the first
  level. Recruits beyond the maximum number of first level positions

allowed are automatically placed in other downline (lower level) positions. Matrix plans often have a maximum width and depth. When all positions in a representative's downline matrix are filled (maximum width and depth is reached for all participants in a matrix), a new matrix may be started. Like Uni-Level plans, representatives in a matrix earn unlimited commissions on limited levels of volume with minimal sales quotas.

- Binary plans: A binary plan is a multilevel marketing compensation plan which allows distributors to have only two front-line distributors. If a distributor sponsors more than two distributors, the excess are placed at levels below the sponsoring distributor's front-line. This "spillover" is one of the most attractive features to new distributors since they need only sponsor two distributors to participate in the compensation plan. The primary limitation is that distributors must "balance" their two downline legs to receive commissions. Balancing legs typically requires that the number of sales from one downline leg constitute no more than a specified percentage of the distributor's total sales.
- <u>Hybrid plans</u> are compensation plans that are constructed using elements of more than one type of compensation plan.

### CONCLUSION

Understanding the difference between the scam known as a Pyramid Scheme and a legal Multi-Level Marketing Design is important to anyone wanting to try out one of these sales businesses.

Straight up, a Pyramid Scheme involves a lot of people passing a small amount of money up a "Pyramid" so that the person at the top (the Pharaoh) comes out with big bucks. Although profitable for some, the downfall of a Pyramid Scheme is that it is unsustainable. For any one person to make money, another dozen or so must lose money. Or for a hundred people to make money, a thousand must lose. No matter what, there are always more losers than winners.

Multi-Level Marketing (MLM) companies have a similar top down design as Pyramid Schemes, but when designed correctly, they function like a legal sales company, which is the case with **8K AWEEK**. When following the right frame set, a MLM company can provide sellers with a great entrepreneurial experience and a great source of income, but under the wrong rules, a MLM can ruin someone and make them waste their time.

There is one key difference between the legitimate and illegitimate companies and this has to do with the product being created and the source of income. In any real economy, products are traded for currency which signifies the value being traded. A legitimate company has workers and sellers creating and selling a product and then outside buyers purchase the product in exchange for money. A good product or service with value is being passed to someone outside of the company and the money is then distributed among the workers and sellers.

Multi-level marketing companies often require sellers to pay a fee to sell the products or services and this fee is passed up the ranks. If no products or services are ever sold then this set up emulates a Pyramid Scheme. As more and more products or services are sold, the design begins to look more and more like a traditional company where the sellers pay no fee and receive a commission for products or services sold. A company is legitimate when it has more money coming in from products and services being sold than from sellers paying fees to sell.

Plans that promise profits mainly for recruiting new members are illegal Pyramid Schemes. In legitimate Multi-Level Marketing plans, profits come primarily from selling products and services to consumers as with **8K AWEEK**.

Legitimate Multi-Level Marketing plans only succeed if they offer products or services that customers want. All successful businesses depend on repeat sales. If there isn't constant demand for the products or services, the business will fail. Every marketer or business is in need of a online web presence and 8K AWEEK's products and services will meet that purpose many times over, with it's hosting service being sold on a weekly basis.

**Sales to other distributors don't count.** Legitimate Multi-Level Marketing plans aren't based on sales to distributors. Profits should come from sales that you and any distributors under you make to the end-users as with **8K AWEEK**.

David Rosen is legit and has had 2 other very successful businesses. **8K AWEEK** has been a 5 year project that culminated in an official launch on Feb. 1, 2010.

So how do you actually get to **8K..AWEEK**? To subscribe to **8K AWEEK's** services you pay \$32.50..one time, which includes the first week subscription to services and setup. Then it's a weekly pay of \$18.50. Which is still a bargain..you have a home based business to run for under \$80.00 a month.

What are you getting for the money you pay? You receive a customizable 5 page website. You can use this site for any business you want to promote. You don't even have to promote **8KAWEEK!** That's a blessing! And very worth the money!

**8K AWEEK** is a legal 3x6 matrix with spillover. You subscribe 3 people . Help them subscribe 3 and so on. Then you can receive fantastic bonuses and before you know it your team has grown and filled 1092 positions. Remember you are not filling this matrix alone! You receive help from your upline (if you are with the right team) and everyone is working to bring more people in. It is to everyone's benefit to help each other in order to fill the matrix...and receive your **8K AWEEK!** You do get paid weekly in this program (a huge bonus) and you can watch your earnings in real time as people sign up!

People are searching hard for things they can do to supplement their income and pay the bills. This business seems to fit nicely into people's busy lives. You can

make this work if you work it. I believe we will see many many success stories from **8K AWEEK**. And, that is David Rosen's goal!

MLM Study Letter References:

WIKIPEDIA <a href="http://en.wikipedia.org/wiki/Multi-level">http://en.wikipedia.org/wiki/Multi-level</a> marketing

GRIMES and Reese <a href="http://www.mlmlaw.com/library/guides/Primer.htm">http://www.mlmlaw.com/library/guides/Primer.htm</a>

U.S. FEDERAL TRADE COMMISSION http://www.ftc.gov/speeches/other/dvimf16.shtm

IN LOVE AND RESPECT

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