

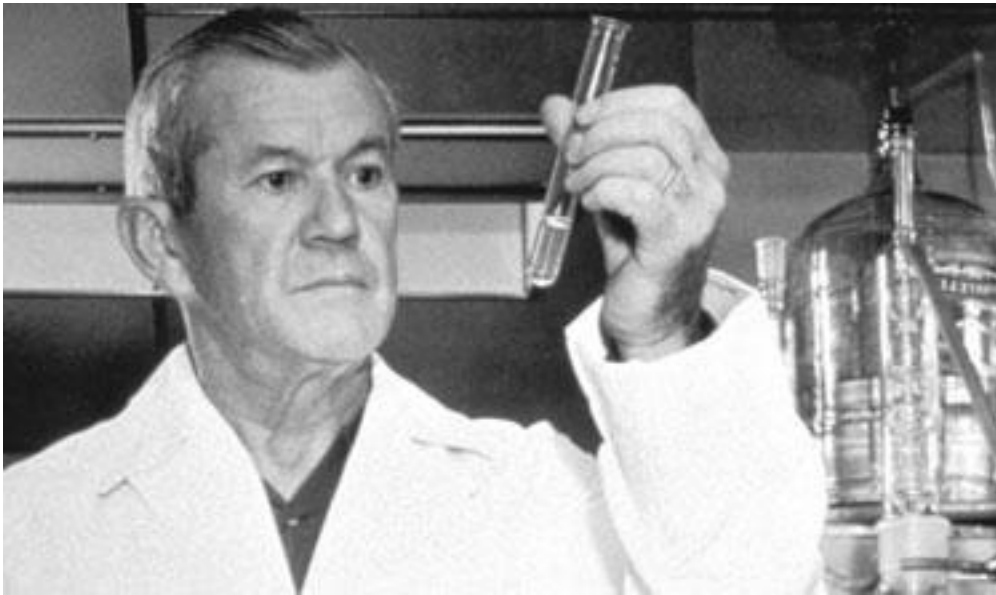


The History and Future of Network Marketing



In The Beginning

**Carl Rehnborg, Lee Mytinger and William Casselberry
of Nutrilite Vitamin company created the
MLM or Network Marketing concept in 1945.**





“Multi Level Marketing” constituted two simple rule changes for how typical Direct Sales operated.



First

**Any distributor now at any rank
could and should enroll or
“sponsor” others.**



**This created a compounded effect
of how fast new distributors
could join the company.**



**Sales representative growth
could grow geometrically
like lilies on the pond.**

Second

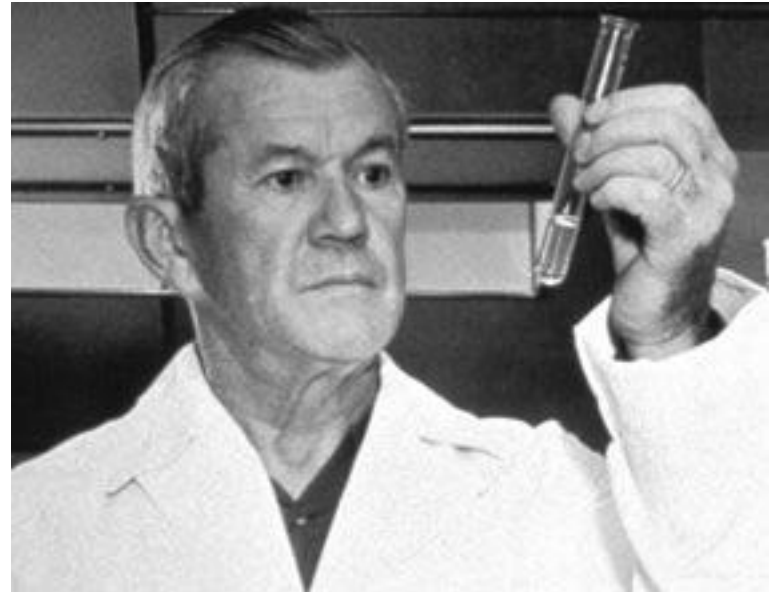
Instead of a representative just being paid on their own sales, they could qualify to earn on virtually all of the sales on all of the levels of representatives enrolling as a result of their sponsoring.

**This impacted incomes dramatically ...
from a few hundred a month
to tens of thousands ...
even potentially more.**

Even back then hype and exaggeration was a common method of operation.

Nutriline Products

**Rehnborg acted as
“scientific advisor”
telling distributors
Nutriline supplements
contained a “secret
base of unusual
therapeutic value.”**



Nutrilite Products



NUTRILITE™

Nutriline Products

A “how to get well and stay well” booklet was the primary sales piece representing Nutrilite as effective against almost every disease known to man.

Nutriline Products

The FDA executed many product seizures and ultimately issued a consent decree dated April 6, 1951 against Nutrilite and the booklet was banned.

Nutriline Products

1953

**Top Nutrilite distributors began
selling for Numanna Labs
resulting in Nutrilite filing suit
citing the 2-year non-compete as
part of their distributor agreement.**



Nutriline Products

**The FTC later ruled Nutriline's
2-year non-compete in
violation of Fair Trade Acts.**



Nutriline Products

1950

**Rich De Vos and Jay Van Andel
began a Nutrilite distributorship that
peaked at over 2,000 distributors.**

1959

**Rich and Jay form
American Way
Association
(Amway) selling
household cleaning
products while
continuing their
Nutrilite
distributorship.**





1972

**Amway purchases Nutrilite from
Carl Rehnborg's estate.**

**The early 70's were
The Wild Wild West
for network marketing.
Pyramid scheme
legislation did not
exist. "Pyramid"
schemes were not
defined and not illegal.**





**Companies such as Holiday
Magic, Bestline, Koscot
Interplanetary and Dare to
Be Great flourished.**



**Glen Turner with his ‘Dare to be Great’
and Koscot Interplanetary opportunities
redefined what “Fast Growth” meant.**

Most states, in response to the unprecedented success, wrote specific laws to regulate Glenn Turner's business model right out of business.

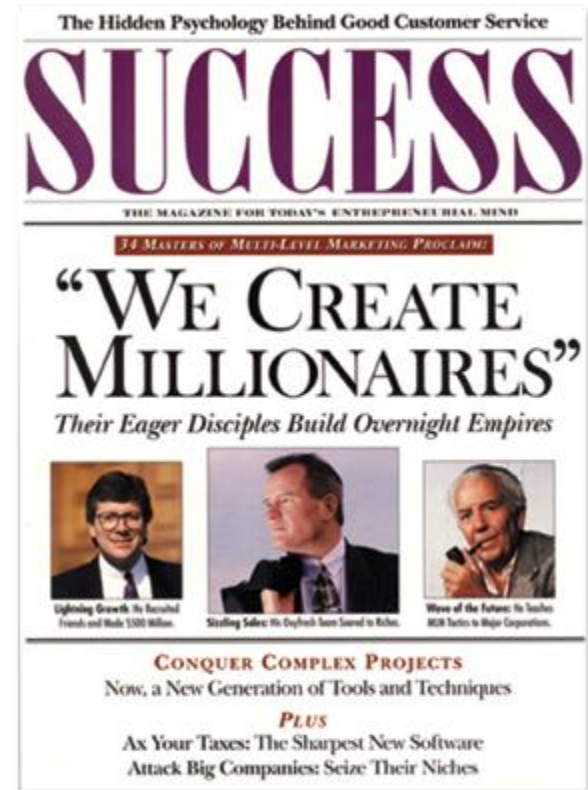
**1979 Federal Trade Commission vs.
Amway rules Amway is NOT an
illegal pyramid scheme.**



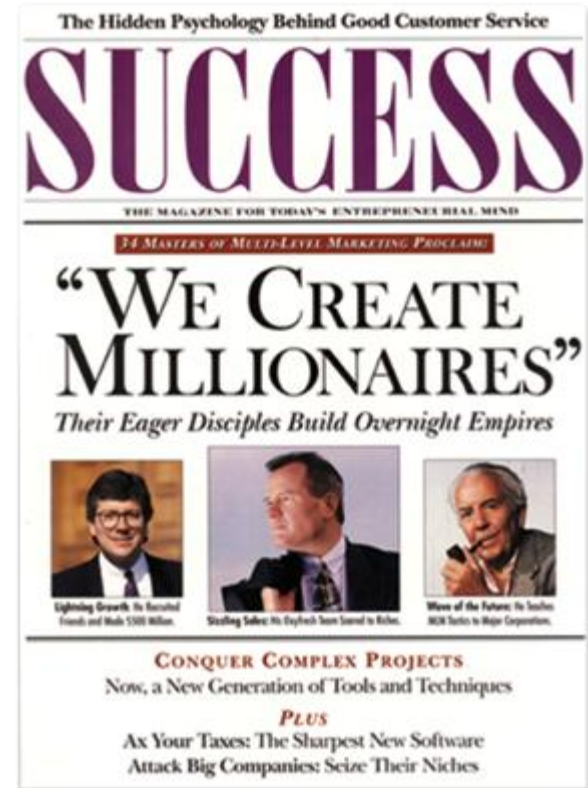
Amway

The Renaissance Period

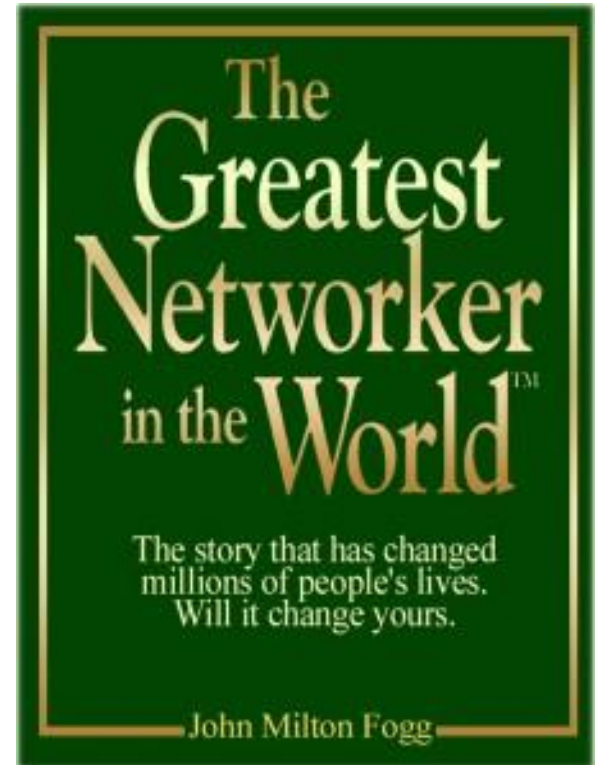
**In March 1992,
Success Magazine
does the first ever
positive endorsement
and educational
article ever done on
the industry by a main
stream magazine...**



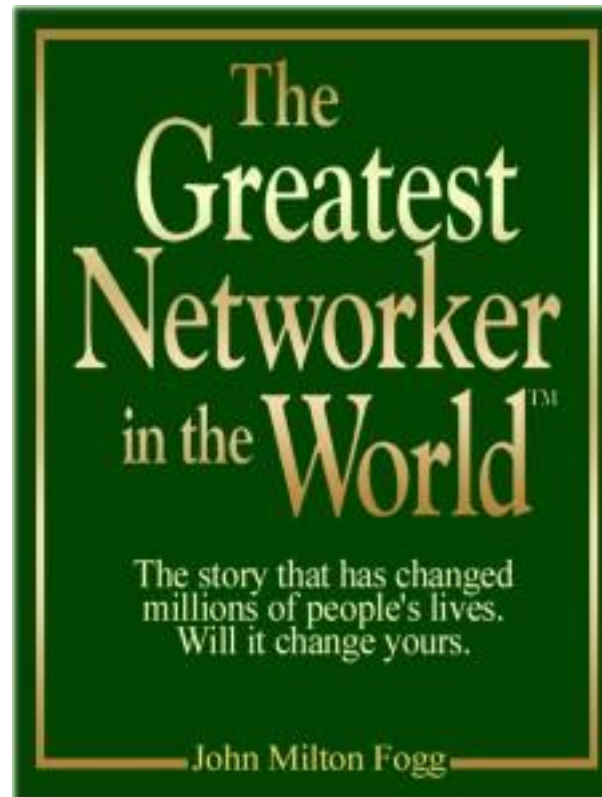
and outsells
every issue in
the 100 year
history of the
magazine.



**Authors such as
John Milton Fogg
dedicate their careers
to educating and
training the virtues of
Network Marketing
done right.**



1,000,000 copies sold





Network Marketing – featured
extensively in ***Forbes,***
Fortune, USA Today,
US News & World Report,
The Wall Street Journal, and
Success Magazine.



In 2010...

\$125 billion in revenue

150 countries

**75 million men and women are
network marketing distributors.**



**Almost 20 years of
consecutive growth.**

**Fewer than 1% of the population
involved so far.**



**175,000 new people in the U.S.
and another 300,000+
around the world
join a network marketing
company every week.**



2009 through 2011

**The top 7 publicly traded
network marketing companies
averaged 268% increase in
share value.**

“Mad Money” market guru Jim Cramer recently told his CNBC viewers:

“Direct selling has never gotten its due from Wall Street. It’s time we recognize that the direct sales model works, and it works well.”

**“From 2006 to 2016,
there will be ten million
new millionaires in the
U.S. alone...many
emerging from direct
selling.”**



**-PAUL ZANE PILZER, World-Renowned Economist and
Best-Selling Author of *The Next Millionaires***

“...Direct selling gives people the opportunity, with very low risk and very low financial commitment to build their own income-generating asset and acquire great wealth.”



-ROBERT T. KIYOSAKI, Author of *Rich Dad Poor Dad* and *The Business of the 21st Century*

“Network marketing has come of age. It’s undeniable that it has become a way to entrepreneurship and independence for millions of people.”



-STEPHEN COVEY, Author of *The Seven Habits of Highly Effective People*

“You strengthen our country and our economy not just by striving for your own success but by offering opportunity to others...”



-BILL CLINTON, Former U.S. President

**Key Note Speaker for
the Direct Selling
Association's 2012
Annual Meeting.**



-GEORGE W. BUSH, Former U.S. President

**“[Network marketing is]
a tremendous
contribution to the
overall prosperity of the
economy.”**



-TONY BLAIR, Former British Prime Minister

“...you don’t need to create a business plan or create a product. You only need to find a reputable company, one that you trust, that offers a product or service you believe in and can get passionate about.”



**-DAVID BACH, Author of *the New York Times* best-seller,
*The Automatic Millionaire***

“...the first truly revolutionary shift in marketing since the advent of ‘modern’ marketing at P&G and the Harvard Business School 50 to 75 years ago.”



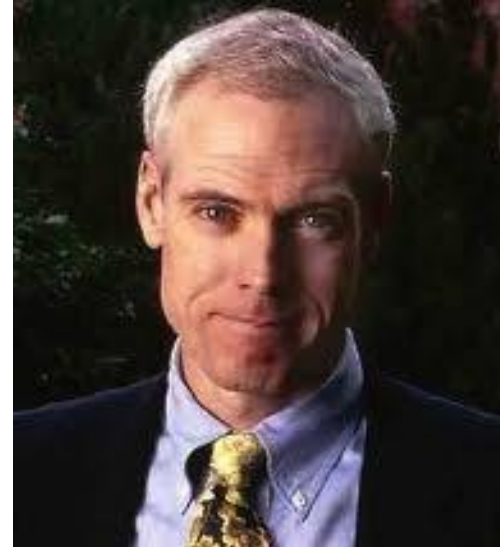
-TOM PETERS, Legendary management expert and author of *In Search of Excellence* and *The Circle of Innovation*

“...a home-based business offers enormous benefits, including elimination of travel, time savings, expense reduction, freedom of schedule, and the opportunity to make your family your priority as you set your goals.”



-ZIG ZIGLAR, Legendary author and motivational speaker

“...How the best organizations of the future might run – in the spirit of partnership and freedom, not ownership and control.”



-JIM COLLINS, Author of *Built to Last* and *Good to Great*

“What works is delivering personal, relevant messages to people who care about something remarkable. Direct sellers are in the best position to do this.”



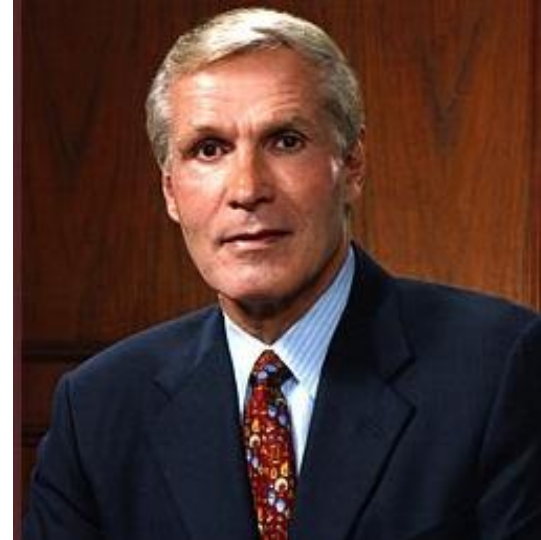
-SETH GODIN, Best-selling author of *Permission Marketing*,
Unleashing the Ideavirus and *Purple Cow*

“Direct selling is actually one of the oldest, most respected business models in the world and has stood the test of time.”



-DONALD TRUMP, Billionaire Businessman
Now owns the Trump Network

“The direct selling business model is one that can level the playing field and close the gap between the haves and have-nots.”



-RAY CHAMBERS, Entrepreneur, Philanthropist and Humanitarian *who now owns Princess House*

**“...best-kept secret
of the business
world.”**



**-ROGER BARNETT, New York Investment Banker
*who now owns Shaklee***

**“The best
investment I
ever made.”**



**-WARREN BUFFET, Billionaire Investor
Owns three direct selling/network
marketing companies**



**99% of Americans are still
not involved...**

that's 285 million people



**99% of Americans still do
not have a solid financial
freedom plan**

**The 40/40/40 plan
does not work
anymore ...**

**Work 40 hours a week for
40 years for 40% of
what was not enough
even for the 40 years.**



**We are
Dawning the Day...**



**When most people in the world
are building their wealth via
the Asset Value of a Residual
Network Marketing Income.**



How are we going to do it?

How are YOU going do it?



**Are you ready to draw a line
in *your* sand?**

**Are you the Ship or the
Lighthouse?**