

# Multi-Level Marketing Income Disclosure Statements

**An FTC Staff Report**

**Federal Trade Commission**  
September 2024



# Multi-Level Marketing Income Disclosure Statements



Staff Report of the Bureau of Consumer Protection  
Federal Trade Commission

Andrew Hudson  
Melissa Dickey  
Molly Rucki  
Eric Spurlino  
June Chang

September 4, 2024

## **FEDERAL TRADE COMMISSION**

Lina M. Khan	Chair
Rebecca Kelly Slaughter	Commissioner
Alvaro M. Bedoya	Commissioner
Melissa Holyoak	Commissioner
Andrew N. Ferguson	Commissioner

## **BUREAU OF CONSUMER PROTECTION**

Samuel Levine	Director
Monica Vaca	Deputy Director
Lois C. Greisman	Associate Director, Division of Marketing Practices
Kathleen Daffan	Assistant Director, Division of Marketing Practices

The views expressed in this report are those of the authors and do not necessarily reflect the views of the Commission or any individual Commissioner.

# Contents

- Executive Summary .....i**
  
- I. Background .....1**
  - A. MLMs ..... 1
  - B. MLM Income Disclosure Statements ..... 4
  - C. Staff Report..... 6
  
- II. Process for Identifying Income Disclosure Statements to Review .....6**
  
- III. Overview of the Format and Content of the Income Disclosure Statements Reviewed .....7**
  - A. Titles ..... 8
  - B. Tables..... 9
  - C. Other Features..... 9
  
- IV. Most Depict an Income Distribution that Excludes Some Participants Who Received Little or No Income .....10**
  
- V. Most Income Figures Do Not Account for Expenses.....12**
  
- VI. Most Emphasize the High Income of a Small Number of Participants.....13**
  
- VII. Most Present Income Data in Potentially Confusing or Ambiguous Ways .....16**
  - A. Data Points Provided ..... 16
  - B. Calculating Monthly or Annual Pay Using Only Pay Periods with Income ..... 17
  - C. Splitting a Participant’s Income into Multiple Ranks ..... 17
  - D. Unclear Terminology..... 19
  - E. Unexplained Discrepancies ..... 20
  
- VIII. Many Income Disclosure Statements Disclose Important Information Inconspicuously .....20**

<b>IX. Many Make Claims for Which the Basis of the Claim Is Not Immediately Apparent .....</b>	<b>22</b>
<b>X. Analysis of the Data and Fine Print Reveal that Many Participants Had No Reported Income or Only Limited Reported Income .....</b>	<b>23</b>
<b>XI. Conclusion .....</b>	<b>28</b>
<b>Appendix A: Examples of Prominent Tables with Dollar Figures from Four of the 70 Income Disclosure Statements Reviewed .....</b>	<b>29</b>
<b>Appendix B: Whose Data is Included in the Income Distributions in the Reviewed Income Disclosure Statements? .....</b>	<b>31</b>
<b>Appendix C: Definitions of “Active” in Reviewed Income Disclosure Statements.....</b>	<b>34</b>
<b>Appendix D: Details of Calculations Summarized in Section X.....</b>	<b>36</b>

## Executive Summary

Multi-level marketers (“MLMs”) frequently market participation in their organization as an opportunity to make money. Some MLMs use income disclosure statements to convey information to participants and prospective participants about income—that is, monetary payments that participants could or do receive.

In February 2023, Commission staff reviewed 70 publicly available MLM income disclosure statements to determine what information they convey, and what formats or other methods they use to convey it. The income disclosure statements come from a wide range of MLMs, from companies that are household names to much smaller companies. Staff’s review of 70 disclosure statements shows that most: (a)

present income data that excludes participants who made little or no income and often do not clearly explain the limitation; (b) do not account for expenses incurred by participants, and often do not clearly state the limitation, even though expenses can, and in some MLMs often do, outstrip income; (c) emphasize high dollar amounts received by a relatively small number of participants; (d) do not include information about the limited income that most participants receive, or provide it only inconspicuously; and (e) present income data in potentially confusing or ambiguous ways. Moreover, none of the reviewed income disclosure statements clearly explains what data is being presented to consumers. They prominently state that they are sharing information about “income” and “earnings,” but do not conspicuously explain what the terms mean. For example, do they include data about all types of income that could be earned, or just some? Are they net of any or all expenses? The lack of clarity on this point is confirmed by the fact that many income disclosure statements define these terms—such as “income” and “earnings”—differently, or not at all.


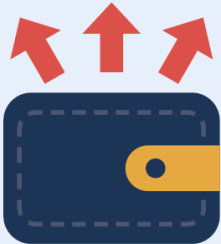



Additionally, Commission staff’s analysis of data in the income disclosure statements, including the data hidden in fine print, shows that many participants in those MLMs received no payments from the MLMs, and the vast majority received \$1,000 or less per year—that is, less than \$84 per month, on average.

---

Commission staff’s analysis of data in the income disclosure statements... shows that many participants in those MLMs received no payments from the MLMs, and the vast majority received \$1,000 or less per year—that is, less than \$84 per month, on average.

---

**Figure 1: Common Features of MLM Income Disclosure Statements**

Most MLM disclosure statements reviewed used <u>ALL</u> these tactics:	
	Present income data that excludes participants who made little or no income — and often do not clearly explain that
	Do not account for expenses incurred by participants, and often do not clearly state the limitation — even though expenses can (and in some MLMs often <i>do</i> ) outstrip income
	Emphasize high dollar amounts received by a relatively small number of participants
	Do not include information about the limited income that most participants receive, or provide it only inconspicuously
	Present income data in potentially confusing or ambiguous ways

## I. Background

On March 10, 2022, the Commission published an Advance Notice of Proposed Rulemaking (“ANPR”) regarding Deceptive or Unfair Earnings Claims. The ANPR sought comment on whether the Commission should commence a rulemaking to regulate earnings claims. The vast majority of comments received in response related to MLMs.

### A. MLMs

An MLM is a type of company that distributes products or services through a network of participants who are typically not employees of the company and do not receive a salary or wage. Instead, the company usually treats MLM participants as independent contractors, who may make money depending on their own revenues and expenses. Typically, the company does not directly recruit new participants, but relies upon its existing participants to recruit additional participants, which creates multiple levels of participants organized in “downlines.” A participant’s “downline” is the network of their recruits, and recruits of those recruits, and so on.<sup>1</sup>

MLMs often offer commissions, bonuses, or other payments to participants (together “commissions”) for meeting specific benchmarks, such as purchasing or inducing others to purchase a certain amount of products from the MLM within a certain time period, or recruiting a certain number of new participants who make such purchases. In some cases, participants can also generate revenue (“retail income”) by purchasing products from the MLM at wholesale and selling them at a higher price to other consumers. MLM participants may incur expenses in pursuing the opportunity. For example, in many cases, consumers must pay a fee to the MLM to become or remain a participant. In some MLMs, participants are required or encouraged to purchase the MLM’s products, either for their own use, for resale to other consumers, to use as sales aids, or to maintain or increase their rank in the MLM’s organization or their eligibility for certain compensation levels.<sup>2</sup> And participants may incur additional expenses, such as paying for websites, advertisements, and training materials, attending conferences and trainings,

---

<sup>1</sup> See FTC, Business Guidance Concerning Multi-Level Marketing (last updated Apr. 2024), <https://www.ftc.gov/business-guidance/resources/business-guidance-concerning-multi-level-marketing>.

<sup>2</sup> For example, some of the disclosures state that, to remain “active,” a participant must purchase or cause the purchase of a specific minimum dollar amount of product in a given period. See also *FTC v. Noland*, 672 F.Supp.3d 721, 761-62 (D. Ariz. 2023) (finding that defendants’ claims and compensation plan encouraged participants seeking earnings to buy hundreds of dollars of product each month); Compl., *FTC v. AdvoCare Int’l, L.P.*, No. 4:19-cv-0715 (E.D. Tex. Oct. 2, 2019) (alleging that “AdvoCare’s compensation plan contains recurring incentives to encourage business opportunity participants to purchase large quantities of product”); Comment on Deceptive or Unfair Earnings Claims, Advance Notice of Proposed Rulemaking, 87 FR 13951 (March 11, 2022) (“EC ANPR Comment”) No. 20-391 (J. Newcomb) (“[W]e were told to make the business work we had to . . . buy product.”); EC ANPR Comment No. 20-1521 (V. Kukla) (“I invested thousands of dollars into products, marketing materials, product samples, and fees.”); EC ANPR Comment No. 20-347 (T. Barclay) (“After spending \$1,000.00 on the initial product pack, I was encouraged to buy more product each month to keep rank and stock pile every time there was a sale.”); EC ANPR Comment No. 20-570 (J. Meltzer) (“You had to purchase [\$75 to \$100] in products each month in order to remain ‘active’ . . .”).



purchasing sales equipment or hiring support, or hosting in-person sales events.<sup>3</sup> MLM participants make money to the extent that revenue from their retail sales, plus commissions or bonuses paid by the MLM, exceed their expenses. Most people who join MLMs make little or no money, and some lose money.<sup>4</sup>

Most people who join MLMs make little or no money, and some lose money.

Most MLMs create and advertise to participants a system of “ranks” or levels and encourage participants to attempt to advance upward through the system to become eligible for more lucrative forms of compensation. MLM ranks often have names associated with power or wealth, such as “gold,” “silver,” “platinum,” “diamond,” “triple diamond,” “director,” “president,” “executive president,” etc. Often, qualifying for a given rank entitles a participant to certain bonuses, commission rates, or other compensation from the MLM for which those at lower ranks do not qualify. Typically, participants may only qualify for a rank if they meet specific goals. These often include some combination of sales-volume and recruitment goals. In many cases, the sales-volume goals can be met through the sales or purchases made by members of a participant’s “downline.” In some MLMs, participants must continue to meet the goals in every pay period to remain at a given rank. If they do not, they may be downgraded

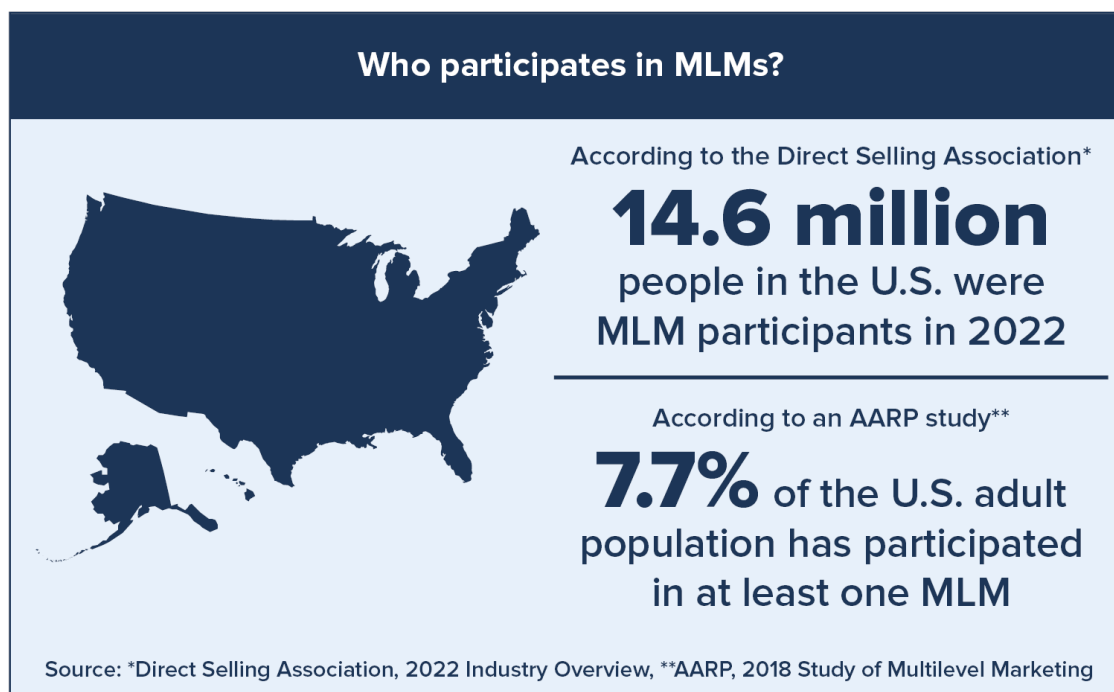
<sup>3</sup> See, e.g., EC ANPR Comment No. 20-391 (J. Newcomb) (“[W]e were told to make the business work we had to attend a weekly meeting \$5-\$10. We had to attend quarterly conferences (usually \$100 ticket plus hotel and travel expenses). We had to subscribe to the team audio app. We got one or two free audios a month but we were encouraged to buy more. We had to buy personal development books.”); EC ANPR Comment No. 20-1521 (V. Kukla) (annual fees and marketing pamphlets); EC ANPR Comment No. 20-13 (L. Ng) (“monthly website fee”); EC ANPR Comment No. 20-135 (T. Stone) (“I had to buy more stuff to be able to do parties.”); EC ANPR Comment No. 20-299 (T. Reid) (“website fees, postage, shipping materials, etc.”); EC ANPR Comment No. 20-347 (T. Barclay) (“I had to pay to go to convention as well.”); Comment No. 20-781 (Anonymous) (“the website, business cards, a stamp with my address, access to a payment system, and fishbowls to put out at various places to collect names and contact info”); Comment No. 20-892 (K. Benson) (“business cards, marketing materials, pay for vendor shows, attend training and national convention”).

<sup>4</sup> See ECR ANPR Comment No. 20-1563 (Truth in Advertising, Inc.) (“TINA ANPR”) at 3 (stating that “[f]ew will earn a living wage ... [and] half or more will actually lose money” (citing Marguerite DeLiema, et al., *AARP Study of Multilevel Marketing: Profiling Participants and their Experiences in Direct Sales* (2018), [https://www.aarp.org/content/dam/aarp/aarp\\_foundation/2018/pdf/AARP%20Foundation%20MLM%20Research%20Study%20Report%2010.8.18.pdf](https://www.aarp.org/content/dam/aarp/aarp_foundation/2018/pdf/AARP%20Foundation%20MLM%20Research%20Study%20Report%2010.8.18.pdf) (reporting that nearly half of surveyed MLM participants reported losses); Heidi Liu, *The Behavioral Economics of Multilevel Marketing*, 14 *Hastings Bus. L.J.* 109, 123-24 (2018), [https://repository.uchastings.edu/cgi/viewcontent.cgi?article=1176&context=hastings\\_business\\_law\\_journal](https://repository.uchastings.edu/cgi/viewcontent.cgi?article=1176&context=hastings_business_law_journal) (“The majority of MLM consultants are likely to lose money from their participation.”)); Brittney Laryea, *Survey: Vast Majority of Multilevel Marketing Participants Earn Less Than 70 Cents an Hour*, *Magnify Money* (Sept. 17, 2018), <https://www.magnifymoney.com/news/mlm-participants-survey> (in survey of 1,049 participants, 57.2% reported earning less than \$500 over the past five years before expenses, and median earnings before expenses was \$0.67 per hour); Amicus Brief of Direct Selling Association at 4, *FTC v. Neora, LLC, et al.*, No. 3:20-cv-1979 (N.D. Tex. Sept. 16, 2022), ECF No. 260 (“[MLMs] offer[ ] ... the opportunity to earn modest supplemental income to help their families or to otherwise engage in a personally satisfying activity.”); see also Joseph Mariano, *Learning and Building on Collective Experience*, *DSA News* (Sept. 1, 2016), <https://www.directsellingnews.com/learning-and-building-on-collective-experience/> (MLMs “must increase [their] efforts to ensure prospective distributors are fully aware . . . that for most, direct selling can [only] provide supplemental income. Most distributors will not realize replacement income, let alone a lavish lifestyle.”); Casey Bond, *MLMs Are A Nightmare For Women And Everyone They Know*, *HuffPo* (June 27, 2019), [https://www.huffpost.com/entry/mlm-pyramid-scheme-target-women-financial-freedom\\_1\\_5d0bfd60e4b07ae90d9a6a9e](https://www.huffpost.com/entry/mlm-pyramid-scheme-target-women-financial-freedom_1_5d0bfd60e4b07ae90d9a6a9e) (quoting Joseph Mariano, president of the Direct Selling Association, as saying “Anyone who’s saying that you’re going to make a lot of money [from an MLM] is not telling the truth,” and “You can make a lot of money, but most people don’t”).

to the highest rank for which they qualify based on the sales or purchases they or their downline made in the current pay period (e.g., week, month, or quarter).

According to the Direct Selling Association (DSA), an industry association for direct selling companies, including MLMs, in 2022, 14.6 million individuals were participants for MLMs in the United States.<sup>5</sup> Most participants do not work the MLM opportunity on a full-time basis.<sup>6</sup> According to an AARP study, 7.7% of the U.S. adult population has participated in at least one MLM.<sup>7</sup>

**Figure 2: U.S. Participants in MLMs**



<sup>5</sup> Direct Selling Association, *Direct Selling in the United States: 2022 Industry Overview*, [https://www.dsa.org/docs/default-source/industry-fact-sheets/dsa-2022g-ofactsheetv4.pdf?sfvrsn=c51ed2a5\\_2](https://www.dsa.org/docs/default-source/industry-fact-sheets/dsa-2022g-ofactsheetv4.pdf?sfvrsn=c51ed2a5_2) (“14.6 million people in the U.S. had signed or renewed independent contractor sales agreements with direct selling companies in 2022.”). The DSA fact sheet states that “[o]f these 14.6 million, 6.7 million were direct sellers who worked to build businesses and 7.9 million were discount buyers who purchased products for their own use but chose not to build a business,” but also states that an additional 33.1 million people had joined MLMs as “preferred customers.” The fact sheet does not explain what is meant by the statement that 7.9 million participants “chose not to build a business,” or why, given that they chose to sign up as participants, not preferred customers, it is proper to treat them as “discount buyers” rather than as participants.

<sup>6</sup> See EC ANPR Comment No. 20-1541 (DSA) at 2 (stating there are 7.3 million MLM participants and that 6.8 million of them “work the business only on a part-time basis”); EC ANPR Comment No. 20-1562 (Coalition for Compliance) at 32 (stating that “close to 90 percent [of MLM participants] were part-time”) (citing DSA, *Direct Selling in the United States: 2020 Industry Overview*, [https://www.dsa.org/docs/default-source/research/dsa-industry-overview-fact-sheetd601b69c41746fcd88eaff000002c0f4.pdf?Status=Temp&sfvrsn=6e75d9a5\\_2%27](https://www.dsa.org/docs/default-source/research/dsa-industry-overview-fact-sheetd601b69c41746fcd88eaff000002c0f4.pdf?Status=Temp&sfvrsn=6e75d9a5_2%27)).

<sup>7</sup> Marguerite DeLiema, et al., *AARP Study of Multilevel Marketing: Profiling Participants and their Experiences in Direct Sales* (2018) at 3, [https://www.aarp.org/content/dam/aarp/aarp\\_foundation/2018/pdf/AARP%20Foundation%20MLM%20Research%20Study%20Report%2010.8.18.pdf](https://www.aarp.org/content/dam/aarp/aarp_foundation/2018/pdf/AARP%20Foundation%20MLM%20Research%20Study%20Report%2010.8.18.pdf).

## B. MLM Income Disclosure Statements

Some MLMs prepare documents containing data regarding the payments received by participants in the MLM. These documents are commonly referred to as “income disclosure statements.” Some MLMs use these income disclosure statements to convey information to participants and prospective participants about income<sup>8</sup>—that is, monetary payments that participants could or do receive—and may encourage or direct their participants to use the documents when recruiting.<sup>9</sup>

Some MLMs ... encourage or direct their participants to use the [income disclosure statement] when recruiting.

Often, the income disclosure statement is a stand-alone document between one to three pages long, and many include tables that list dollar amounts or dollar ranges for different groups, or cohorts, of MLM participants. The disclosure statements usually feature some amount of text in addition to the table, with some information conveyed in small or fine print. Some MLMs make these documents available to prospective participants and/or the public.<sup>10</sup> For example, sometimes the MLM publishes the income disclosure statement on its website.

<sup>8</sup> As discussed below (*see infra* Section VII), the income disclosure statements often use terms such as “income” and “earnings” to describe the data presented, without prominently defining these terms. It appears that in most income disclosure statements, the data presented reflect the amount of money the MLM paid to participants, without accounting for any expenses, or other possible revenue, such as retail income. *See infra* Sections V & VII. Accordingly, this report will use “income” to mean the amount participants received in payments from the MLM, without accounting for expenses or other possible revenue.

<sup>9</sup> For example, one disclosure statement directs that “[a] copy of this Statement must be presented to prospective Brand Partners any time Brand Partner compensation is presented and/or discussed or whenever an earnings claim or representation is made ...” Another states “[a] copy of this Disclosure must be presented to prospective Distributors any time Distributor compensation is presented or discussed, or any type of income claim or earnings representation is made, including one-on-one meetings.” *See also, e.g.*, Kevin Thompson, *MLM Income Claims: Basic guidelines for companies and distributors (Part 2)*, Thompson Burton PLLC (Mar. 19, 2014), <https://thompsonburton.com/mlmattorney/2014/03/19/mlm-income-claims-basic-guidelines-for-companies-and-distributors-ftc-part-2/>; Nicole Westbrook and Spencer Reese, *MLM Defense: FTC Earnings Claims and Nonsolicitation Clauses*, Jones & Keller, Attorneys at Law (Aug. 3, 2022) <https://joneskeller.com/mlm-defense-ftc-earnings-claims-and-nonsolicitation-clauses/>.

<sup>10</sup> Staff has not analyzed in this report when or how MLMs make income disclosure statements available to current or potential participants, what MLMs or participants say to recruits or other participants about the statements, or how often MLMs update their statements.

**Figure 3: Example Income Disclosure Statement on MLM Website**

The screenshot shows a website with a navigation menu (Company, Products, Opportunity, Science, Events, News Center) and a breadcrumb trail (Home / Opportunity). The main content area is titled "INCOME YOUR WAY" and includes introductory text about multiple income streams. Below this is the "INCOME DISCLOSURE STATEMENT" table.

AVERAGE PAID RANK	MONTHLY LOW	MONTHLY AVERAGE	MONTHLY HIGH	PERCENTAGE OF ACTIVE ASSOCIATES	PERCENTAGE OF BRONZE+ ASSOCIATES
★ DIRECTOR	\$43.30	\$345.86	\$2,857.80	2.779%	N/A
★ DIRECTOR 300	\$85.30	\$449.99	\$4,422.38	8.059%	N/A
★ DIRECTOR 700	\$216.50	\$1,213.56	\$9,569.34	2.337%	N/A
⊕ BRONZE	\$901.98	\$1,963.48	\$6,944.53	0.145%	41.7%
⊕ SILVER	\$1,610.73	\$3,587.02	\$12,999.57	0.084%	24.2%
⊕ GOLD	\$2,777.75	\$6,925.46	\$17,878.45	0.049%	14.2%
⊕ PLATINUM	\$5,718.29	\$10,550.54	\$23,330.08	0.032%	9.1%
💎 DIAMOND	\$10,041.22	\$16,063.06	\$32,597.44	0.010%	2.9%
💎 DOUBLE DIAMOND	\$14,881.29	\$22,270.64	\$34,773.64	0.004%	1.1%
💎 TRIPLE DIAMOND	\$17,065.71	\$41,089.68	\$114,320.70	0.015%	4.4%
⊕ AMBASSADOR DIAMOND	\$45,900.58	\$122,878.92	\$249,816.37	0.008%	2.4%

Calculations are based on 2020 weekly commissions data. Average paid rank is rounded to the nearest rank and is used to account for weekly paid rank variation. [REDACTED] establishes this calculation from individual associate paid rank data and only includes periods with earned commissions. Weekly incomes are multiplied by 4.33 to arrive at monthly incomes. This is not a guarantee of a particular income. Individual results will vary. Currency shown in USD.

The customer base is unlimited, and the powerful, generous commission and bonus structure rewards Associates every step of the way.

**Now is Your Time**

With [REDACTED], you can own your own thriving business, backed by a rapidly growing, multinational direct-sales company, leveraging a revolutionary health breakthrough. You really do have the control. Whether you're a professional looking to opt out of the daily nine-to-five grind, a stay-at-home mom wanting to boost your budget, or an entrepreneur with a desire to build a substantial, full-time residual income, [REDACTED] offers you the chance to achieve your personal and financial goals, building a business that will stand the test of time.

Some of the public comments submitted in response to the FTC’s ANPR regarding Deceptive or Unfair Earnings Claims argued that the income disclosures produced by MLMs are often inadequate, or give a

misleading impression of participants' likely earnings.<sup>11</sup> A number of commenters argued that accurate, informative income disclosures would help consumers avoid being misled about their likely earnings.<sup>12</sup> Some commenters suggested that the Commission require all MLMs to provide income disclosures with certain prescribed content.<sup>13</sup>

## C. Staff Report

FTC staff<sup>14</sup> has analyzed what information MLMs commonly provide in income disclosure statements and what formats or other means of conveying information MLMs use. This report documents staff's review of 70 MLM income disclosure statements.

In conducting this review, except as noted below, staff took at face value the information contained in the income disclosure statements. Staff has not attempted to independently verify any factual claims made in them. The staff report also does not attempt to exhaustively document all of the contents and presentation methods found in the income disclosure statements reviewed; rather, the goal of the staff report is to summarize the nature of MLM income disclosure statements, including highlighting any common formats or methods that might affect the messages they convey to consumers.

## II. Process for Identifying Income Disclosure Statements to Review

In the summer of 2022, staff located and documented income disclosures publicly posted on the websites of 79 different MLMs.<sup>15</sup> In February 2023, staff returned to the websites of the 79 MLMs and

---

<sup>11</sup> See, e.g., EC ANPR Comment No. 20-1551 (Professor Stacie Bosley) (“Bosley EC ANPR Comment”) at 17 (discussing results of study of effect of income disclosure statements on consumers' perceptions of potential earnings).

<sup>12</sup> See, e.g., TINA ANPR Comment at 14 (“To make rational decisions about MLM participation, potential distributors need accurate information about what they can reasonably expect to earn, and that information needs to be presented in a way that is easily understood.”); EC ANPR Comment No. 20-747 (Professor Claudia Gross) at 4 (arguing that mandatory income disclosures can prevent consumer harm if they are “[c]omplete, understandable, and truthful”); EC ANPR Comment No. 20-165 (C. Wesselmann) (“I luckily got out but was still upside down in the business. If I had seen ... that only .01% become 6 figure earners, [I would] not [have] signed up.”); EC ANPR Comment No. 20-301 (T. Sanford) (“If I had been given all of these pieces of information ... I would not have joined [MLM Name].”).

<sup>13</sup> See, e.g., Bosley EC ANPR Comment at 24-25; EC ANPR Comment No. 20-1574 (D. Brooks) at 4-5, 30-31; EC ANPR Comment No. 20-1281 (Professor William Keep) at 2, 11-12.

<sup>14</sup> Staff members from both the Bureau of Consumer Protection and the Bureau of Economics contributed to this report. The authors wish to acknowledge the important contributions to this Report made by Laura Basford, Ben Davidson, Rhonda Perkins, Patty Hsue, and Olufunke Sholola (Division of Marketing Practices), Jennifer Leach and Karen Hobbs (Division of Consumer and Business Education), Molly Smith and Ryan Zwonik (Division of Litigation Technology and Assistance) and Elizabeth Averill and Robert Quigley, (Bureau of Consumer Protection, Front Office).

<sup>15</sup> Staff reviewed the websites of each of the over six hundred MLMs known to staff. Only 79 made an income disclosure statement publicly available. Therefore, staff recognizes that data analyzed in this Report may not be representative of data from all MLMs.

documented all available income disclosures again. A few of the MLMs had ceased operations and a few others had ceased to make an income disclosure statement publicly available. Staff also identified several other MLMs that made income disclosures available but that were not included in the initial summer 2022 collection.<sup>16</sup> In total, the February 2023 collection yielded income disclosures for 70 MLMs that provide at least some data regarding the dollar amounts of income received by MLM participants.<sup>17</sup> Staff reviewed these 70 disclosures to understand their format and content. This report summarizes staff's findings.

### III. Overview of the Format and Content of the Income Disclosure Statements Reviewed

As described above, MLM income disclosure statements are typically one- to three-page documents that prominently feature a chart or table with various dollar amounts, often broken out by different cohorts of participants.

---

<sup>16</sup> Staff also encountered documents labeled as income disclosures that did not provide actual data on participants' income. For example, one such document stated that the MLM "lack[s] enough statistical data to prepare reliable income disclosures," but listed "project[ions]" of income amounts for participants "[b]ased on industry standards and company projections." Staff has not included such documents in its review. In addition, staff located income disclosure statements for LuLaRoe. The format and contents of LuLaRoe's Washington state income disclosure statement are governed by court order, and its national income disclosure statement follows the Washington state disclosure in several notable respects. For this reason, staff has not included either LuLaRoe disclosure in this review.

<sup>17</sup> MLMs use different terms to refer to consumers who are attempting to make money by selling and/or recruiting for the MLM. These include distributor, affiliate, associate, representative, brand representative, and ambassador, among others. In this document, "participant" refers to all such consumers, however denominated by the MLM.

For example, one MLM’s income disclosure statement looks like this:

**Figure 4: Example Income Disclosure Statement**

## 2021 US Average Annual Income Summary

RANK	%*	Average Annual Income*
Hero Royal	1.04%	\$331,193.58
Hero Elite	0.72%	\$92,979.64
Hero	1.86%	\$50,820.20
Ace Royal	3.86%	\$23,119.84
Ace Elite	1.19%	\$14,036.27
Ace Prime	1.96%	\$10,713.14
Ace	4.16%	\$7,662.05
Star Elite	5.17%	\$3,492.49
Star Prime	44.60%	\$2,676.28
Star	28.38%	\$514.14
IBO	7.06%	\$250.80
	100%	

\* Based on the number of IBOs who received a payment.

Figure 4 illustrates two prominent features common to most of the income disclosure statements: the use of titles and headings that reference income or earnings, and the use of tables or charts to graphically display a distribution of income data, often across an array of participant cohorts. Several additional examples of such tables are included in the attached Appendix A.

### A. Titles

Just like the example in Figure 4, the disclosure statements’ titles and headings typically feature terms such as “Earnings,” “Income,” or “Compensation,” and typically do not include express limitations or qualifications such as “Before Expenses,” or “of a Selected Group of Participants.”<sup>18</sup> Typical title or heading language includes phrases such as: “Earnings Summary,” “Average Annual Earnings

<sup>18</sup> As noted below, *see infra* Section VII, the meaning of these terms is not immediately clear, and the income disclosure statements sometimes use them interchangeably, and often without clear and conspicuous definitions. Where definitions are provided, they are not consistent from one MLM to another, increasing the chances for confusion.

Disclosure,” “Statement of Independent Coach Earnings,” “Annual Income Ranges,” or “Average Annual Income Summary,” “How Much can I Earn in a Typical Month,” “How Much Can I Earn From Participating,” and “What are my Income Opportunities.” Seven of the disclosure statements feature headings that include “gross” or “before expenses,” with six of these also using prominent unqualified headings such as “Average Annual Income” to refer to the same figures.

## B. Tables

Most of the income disclosure statements present information about certain income received by participants (such as commissions) in a table or tables like that shown in Figure 4.<sup>19</sup> Often, the tables identify the percentage of participants in each of the depicted groups or cohorts, with percentages that add up to 100.

In addition to the main table or chart, the income disclosure statements also typically include some amount of less prominent text, such as long paragraphs, footnotes, or fine print. Such text may include, for example, narrative descriptions of the MLM, definitions of terms, and disclaimers. Some disclosure statements also include additional graphics, such as pie charts. Income disclosure statements that break out their figures by cohort typically use, as cohorts, either “ranks” within the MLM or dollar amount ranges.

## C. Other Features

Many of the income disclosure statements also provide additional information, including about the nature of the company or its products, how individuals can earn money, why people join the business, the various ways individuals can get involved in the business, the types of compensation they can qualify for (including car or trip bonuses), the company’s refund policy, or the cost to initially sign up for the business.

Most of the income disclosure statements feature disclaimers to the effect that the income depicted is not necessarily representative of what a participant may earn, nor a guarantee that a participant will make the stated income.<sup>20</sup> In most income disclosure statements, this disclaimer is less

---

In most income disclosure statements, this disclaimer [that the income shown is not typical] is less prominent than the table or other display of dollar amounts.

---

<sup>19</sup> Of the 70 income disclosure statements, 56 use a table or tables like that shown in Figure 4, some in combination with other graphics. One more uses a series of tables, one for each rank, in combination with a pie chart, and another uses text in combination with a pie chart.

The remaining 12 income disclosure statements reviewed do not feature charts or tables at all, but relay information only through text, six in bullets and six in paragraphs. Of the 12, four give only a single average income figure for all participants (or all “active” participants), and two provide income figures for only certain portions of the highest-earning participants, such as “the top 5% make more than \$X, and the top 10% make more than \$Y.”

<sup>20</sup> Such a disclaimer appears in at least 63 of the 70 income disclosure statements reviewed.



prominent than the table or other display of dollar amounts.<sup>21</sup>

## IV. Most Depict an Income Distribution that Excludes Some Participants Who Received Little or No Income

Most of the income disclosure statements reviewed do not depict the distribution of income across all participants, but instead present a distribution that excludes certain groups of participants.<sup>22</sup> Eleven

Most of the income disclosure statements reviewed do not depict the distribution of income across all participants, but instead present a distribution that excludes certain groups of participants.... The nature of this exclusion varies, but in at least some cases it excludes all participants who received no income as well as potentially others.

income disclosure statements unambiguously indicate that they include data from all of the MLM's participants in the income distributions they depict.<sup>23</sup> Twenty-nine exclude from their income distribution all participants who did not earn commissions or similar income.<sup>24</sup> Another 24 exclude from their income distribution all participants whom the MLM deems "inactive" or of similar status.<sup>25</sup> The nature of this exclusion varies, but in at least some cases it excludes all

<sup>21</sup> For example, in some cases the disclaimer is in a paragraph of text that is less prominent than the disclosure statement's table or bullet list of dollar amounts by cohort. In others, the disclaimer is placed at the very bottom of the webpage on which the information appears, or in fine print.

<sup>22</sup> By "distribution" staff refers to the most prominent portion of the income disclosure in which income amounts are presented, inclusive of all income figures presented in the same manner. For the 57 disclosures that present income information in a table or tables (*see supra* note 19), the "distribution" is the information presented in the table(s). For the six that present income information in bullets, the "distribution" is the information presented in those bullets. For the seven that present income information in text, the "distribution" is the information presented in proximate, equally-prominent text. Some income disclosures present additional information about income, or the lack of income, outside the context of this definition of "distribution," some in more prominent ways than others. For example, in one disclosure statement the table appears within a larger graphic that also includes other information relating to income. For purposes of this review, staff refers to the table only. This approach ensures consistency and focuses on a feature common to many of the disclosure statements.

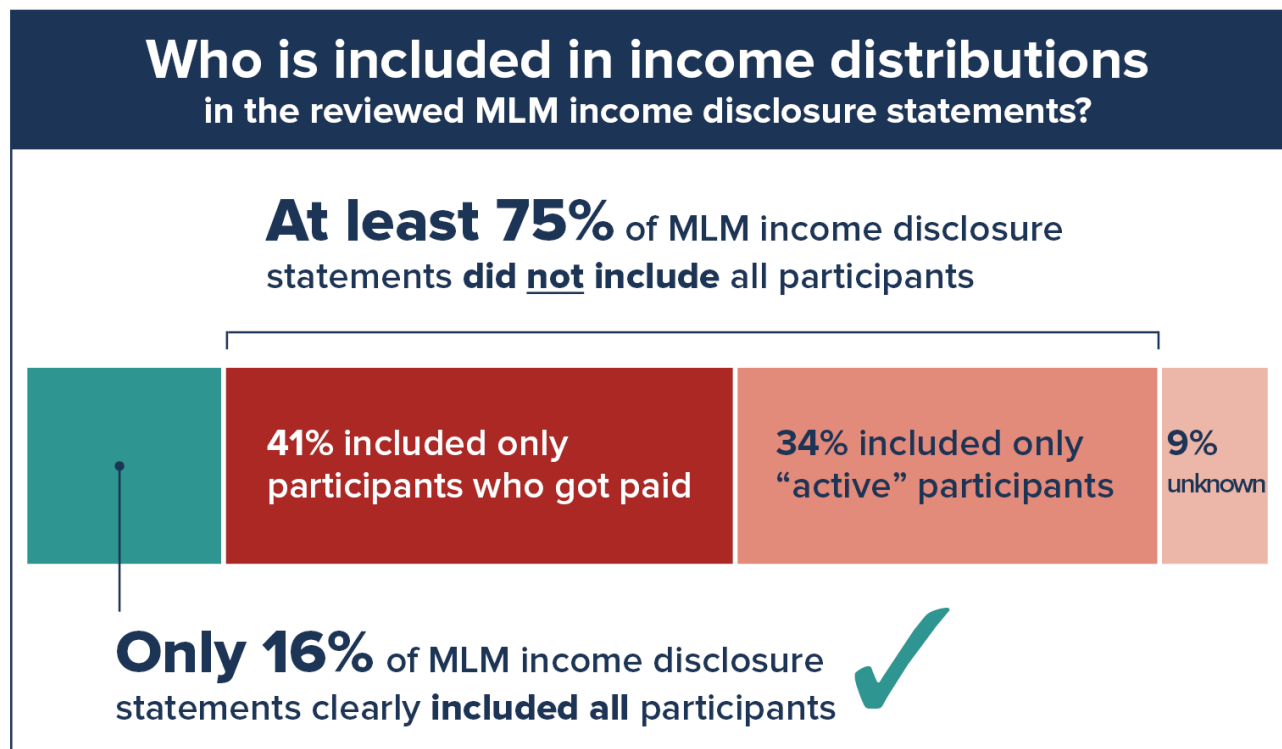
<sup>23</sup> Of the 11, five provide separate, parallel data about income for the set of all participants and for the set of "active" participants.

<sup>24</sup> Six of the 29 disclosures provide the percentage of participants who received no income separately from the income distribution. Three more identify the percentage of participants who received income (from which the percentage who did not can be deduced) separately from the income distribution. And three others provide other data from which the percentage could be calculated.

<sup>25</sup> For additional details, see Appendix B. In the remaining six income disclosure statements, it is not clear whether the income distribution presented accounts for all participants, or, if not, who is excluded. In some, no language or unclear language is used to describe the set of participants; in others, conflicting language is used. For example, one disclosure statement uses a table with the heading "Percent of Paid Stylists," suggesting the table is limited to those who received income, but small print below the table states that "[t]he figures in the above chart pertain to income data for all Stylists in the US in 2021."

participants who received no income as well as potentially others.<sup>26</sup> For example, in some cases these MLMs deem participants “active” only if they meet certain sales goals or product purchase thresholds within a given recent time period, have recruited another participant, received income from the MLM, or some combination of these or similar requirements.<sup>27</sup> To illustrate, one income disclosure statement presents a table that lists dollar amount ranges for each rank in the MLM, showing that over 80% of participants are in the lowest rank and have an average annual income of \$528. In one of the blocks of paragraph text above the table are statements that 52% of participants “did not earn a commission,” and that the table includes income information only for “those [participants] that did earn a commission.” That means that the bottom 52% of participants made nothing, and the next 38.45% of participants had average annual income of \$528.

**Figure 5: Income Distributions in Reviewed Disclosures Include Only Some Participants**



<sup>26</sup> For example, one income disclosure that presents data only for “active” participants states that “[a]n active [participant] is defined as anyone who 1) Executed an [MLM name] Marketing Partner Application/Agreement. 2) Has sponsored at least one person, and 3) Has had a commission check in at least one period within the reporting time frame.”

<sup>27</sup> The “active” terminology is used in some other income disclosure statements as well. For example, of the 29 income disclosures that present an income distribution for only those who received income from the MLM, three state that the income distribution they provide is for “active” participants and also state that an “active” participant is one who received some income from the MLM. Many of the 70 disclosures do not provide a definition of “active,” so it is not clear how many use a definition that would exclude all participants who had no income. See Appendix B and Section VII, *infra*.

Most of the income disclosure statements do not include a prominent, express explanation of the limited nature of the income distribution depicted. In only four disclosures was the limitation disclosed in plain language in as prominent, or nearly as prominent a manner as the dollar amounts. In every other disclosure, the limitation is either not prominently disclosed (because, for example, it is in a dense block of text or fine print), is obliquely worded, is indirectly implied, or some combination of these.

## V. Most Income Figures Do Not Account for Expenses

None of the 70 income disclosure statements reviewed provides income figures that take into account all expenses. Twenty of the disclosures have no express statement about whether their figures account for expenses.<sup>28</sup> Of the remaining 50 disclosures, most convey information about the

---

None of the 70 income disclosure statements provides income figures that take into account all expenses.

---

omission of expenses in a manner that is less prominent than the display of dollar amounts that MLMs pay to participants, such as in fine print or dense blocks of text.<sup>29</sup> And nearly all of these disclosure statements feature more prominent unqualified language, such as “Average Annual Earnings” or “How Much Can You Earn?” Only four convey information about the omission of expenses in a manner that is at least as prominent as the display of dollar amounts, and two of these four also feature more prominent unqualified language, such as “Monthly Average Earnings.”<sup>30</sup>

Some income disclosure statements do contain information regarding the nature or extent of expenses that participants might need to incur. For example, one disclosure identifies “expenses such as event registration, travel, office supplies, insurance premiums, etc.” In every disclosure where it is provided, such information is less prominent than the dollar amounts that MLMs pay to participants (for example, because it is in a dense block of text or in smaller print).

One such expense, at least in some MLMs, is the MLM’s annual membership fee. Some income disclosure statements provide the dollar amount of the annual membership fee. For some of these MLMs, the income disclosure shows that a large majority of participants earned less for the year than the amount of such fees. For example, one MLM’s income disclosure stated that as many as 78.69% of

---

<sup>28</sup> Ten of these disclosures imply that the figures are gross, not net (e.g., the disclosure speaks of “commission” or “check” amounts, or the fine print discloses mandatory fees and that a large number earn no commissions, but the lowest reported income amount is zero). Two more use the term “gross compensation” or “gross income.” None of these disclosures expressly states that there are or may be significant expenses that would make participants’ take-home pay meaningfully less than the amounts shown. And most include prominent unqualified language such as “Income Disclosure Statement” or “Average Annual Earnings.”

<sup>29</sup> Three of the 50 disclosures state that their figures do or may include some expenses, but do not include all expenses.

<sup>30</sup> Two of the four do not have tables but provide overall average income amounts in text accompanied by express statements that the amounts do not reflect any expenses participants incurred. A third includes a statement immediately above the table that the figures given are “before expenses,” and the fourth includes that phrase in the title of the column of dollar amounts.

participants made no money in commissions or bonuses.<sup>31</sup> Yet, the MLM charged a monthly fee of \$19.95, meaning that unless they were able to make at least that much in profits from retail sales (and it is not clear whether such income is already included in the figures), these participants lost money for the year, even without accounting for other expenses such as marketing or product purchases.<sup>32</sup> Because of the incomplete nature of the fee and expense information in the income disclosure statements, such a calculation cannot be made for each of the 70 MLMs. For example, in another MLM’s income disclosure statement, the data suggest that the median participant in the MLM received more than \$500 per year in income.<sup>33</sup> That MLM’s disclosure statement, however, does not disclose the amount of its membership fee, if any.

## VI. Most Emphasize the High Income of a Small Number of Participants

Most of the income disclosure statements reviewed break out information about income in a way that emphasizes the high amounts obtained by only a small fraction of participants.

Most of the income disclosure statements reviewed break out information about income in a way that emphasizes the high amounts obtained by only a small fraction of participants.

The chief method of emphasis is the use of “rank” as a cohort by which to break out this information.<sup>34</sup>

Most—44 of the 70 disclosures—break out this information only by rank. Staff found that in nearly every one of these income disclosure statements, the vast majority of participants are in one of the two or three lowest ranks, with correspondingly low income amounts, or are omitted from the table entirely, yet

most of the visual space in the tables is devoted to displaying numerous higher ranks and high dollar amounts, even though those higher ranks are occupied by a very small number of participants—

<sup>31</sup> This MLM’s data does not appear in the calculations or tables in Section X or Appendix D because its data is internally inconsistent. Specifically, while the income disclosure statement expressly states that 78.69% of participants did not receive payments from the MLM, the average income figures provided for all participants (\$1,015.24), and for those who received income (\$3,154.29), imply mathematically that 67.81% of participants received no income (*see* Appendix D for details on the calculation methodology). Without additional data, staff cannot determine which figure is correct. But in either case, it is a majority.

<sup>32</sup> Calculations based on the disclosure’s data show that another 13.68% of participants made \$281.50 on average. These participants would have had a net return of \$42.10 for the year after the mandatory fees, without accounting for other expenses, such as marketing or the cost of products, or potential retail income.

<sup>33</sup> The disclosure provided dollar amount ranges. The dollar ranges for \$0 to \$500 accounted for 49.08% of participants. The median participant must, therefore, have received more than this in income.

<sup>34</sup> “Ranks” are designations created and defined by the MLMs, and do not necessarily correspond to income ranges. The disclosures reviewed by staff repeatedly demonstrate that ranks’ reported income ranges overlap each other. For example, it is not uncommon to see that high-performing members of a low rank have higher reported income than the lowest member of a rank two, three, or even four ranks above them.

sometimes just a fraction of a percent.<sup>35</sup> For example, one disclosure featured the following breakdown of membership by rank:<sup>36</sup>

**Figure 6: Excerpted Data from an Income Disclosure Table**

<b>Rank</b>	<b>% of Participants</b>	<b>Average Earnings</b>
Level 1	92.37%	\$41.69
Level 2	3.63%	\$844.43
Level 3	1.33%	\$2,414.11
Level 4	2.16%	\$4,938.78
Level 5	0.35%	\$27,898.89
Level 6	0.06%	\$58,739.04
Level 7	0.06%	\$137,351.18
Level 8	0.02%	\$228,094.12
Level 9	0.01%	\$452,579.28
Level 10	<0.01%	\$1,018,350.20

Half of the information displayed pertains to a mere half a percent of all participants. Even though over 90% of participants are in a cohort with average reported income of less than \$100, the chart devotes 9 out of 10 rows to the small fraction who received more.

Some disclosures use other means of presenting data that similarly emphasize unusually high dollar amounts. For example, four of the disclosures list the average reported income for specific percentages of participants at the top of the income scale, such as the “top 5% of participants” or the “top 10%,” but do not list similar figures for the bottom of the income scale. Three disclosures list the percentage of participants who received more or less than a certain dollar amount. For example, one disclosure provides the following:

<sup>35</sup> A few disclosure statements feature tables with markedly fewer ranks than the example depicted in Figure 6, such as three ranks.

<sup>36</sup> To save space and for simplicity and readability, the full table is not reproduced here, and “Level 1”, “Level 2,” etc. are used in place of the names of the ranks.

**Figure 7: Excerpt of Income Disclosure Statement Text Regarding  
Income (Redacted)**

**HOW MUCH CAN I EARN BY SELLING [REDACTED] GLOBAL PRODUCTS?**

- Retail Profits: As a Distributor, you may buy products at wholesale prices that are up to 40% less than the suggested retail price and up to 15% less than the prices for preferred customers. Your earnings are the difference between the wholesale price and the selling price.
- Total reported earnings of all trackable sales and commissions (we don't track all in person sales):\*\*
  - 66.12% (about 3,072) earned more than \$245 -- and the rest made less;
  - 20.75 % (about 964) earned more than \$4,350; and
  - 3.74% (about 174) earned more than \$82,000.
- The top 1% of all earners averaged 8 years to get there and took between 1 and 11 years.

**WHAT IF IT DOESN'T WORK FOR ME?**

- Your initial order will be refunded 100% if you resign within the first 30 days.
- A 90% refund of your subsequent orders will be refunded if you resign within the first year and if the products are unopened and otherwise still marketable.

\* This number excludes those Distributors who were converted to wholesale customers by not engaging in any distributor-like activity for 90 days. See Wholesale Customer in the Glossary of Terms.

\*\* These figures do not include expenses incurred and should not be considered as guarantees or projections of your actual earnings or profits

This means of presenting data provides less information about the income distribution.<sup>37</sup> For example, the information in Figure 7 implies the following distribution:

**Figure 8: Table Reflecting Income Distribution Implied by Data in  
Figure 7**

\$ Range	% of Participants
\$0 - \$245	33.88%
\$246 - \$4,350	45.37%
\$4,351 - \$82,000	17.01%
\$82,001 +	3.74%

The specific dollar thresholds used in this income disclosure statement result in cohorts that cover large dollar amount ranges. For example, the tables below show opposite ends of how the reported dollars might actually be distributed, based on the above figures.

<sup>37</sup> As reflected in Figure 7, this income disclosure statement uses the term "earnings," but the double-asterisk footnote (which appears at the bottom of the page) states that the reported figures "do not include expenses incurred." For this reason, the figures may not provide an accurate picture of the distribution of profits after expenses, or even the relative distribution of such profits (if expenses vary considerably across participants). However, for purposes of illustrating the limitations of the data presentation format, this complication is ignored and the amounts are referred to as "income."

**Figure 9: Table Illustrating Different Possible Distributions Given Data in Figure 8**

Possibility 1

Approx. Income	% of Participants
\$0	33.88%
\$246	45.37%
\$4,351	17.01%
\$82,001	3.74%

Possibility 2

Approx. Income	% of Participants
\$245	33.88%
\$4,350	45.37%
\$82,000	17.01%
\$5,000,000	3.74%

In Possibility 1, one third of participants receive nothing, roughly four out of five participants receive less than \$250, and no one makes six figures. Participants in Possibility 1 are likely to receive a few hundred dollars and may well get nothing. In Possibility 2, everyone receives some income, two-thirds receive more than \$4,300, and some receive millions of dollars. Participants in Possibility 2 are likely to receive several thousand dollars, and possibly more. These two possibilities are very different. But from the figures provided in the income disclosure statement, one cannot tell which is closer to the truth.

## VII. Most Present Income Data in Potentially Confusing or Ambiguous Ways

The income disclosure statements that staff reviewed display different data points and make use of a variety of calculation methods to generate that data. These calculation methods are not always explained, and the explanations that are provided are typically less prominent than the dollar amounts they depict (e.g., the explanations are in fine print or dense blocks of text). Below are a few of the more common data points and methods.

### A. Data Points Provided

Most of the disclosures present income information in the form of average amounts for participants or for various groups of participants, such as different ranks.<sup>38</sup> While an average can be a useful summary of data that has a relatively small degree of internal variation, it can be misleading when the data is largely consistent but has a small number of outliers.<sup>39</sup> In that case, displaying the average of the data set can result in a figure that is not representative of any of the data points. For example, if there are 100 participants, and 99 make \$0 and 1 makes \$10,000, the average earnings for all 100 participants is \$100.

<sup>38</sup> Of the 70 disclosure statements reviewed, 59 present data in this manner.

<sup>39</sup> Bosley EC ANPR Comment at 5 (explaining that use of “average statistics (as opposed to median)” in MLM disclosures “present[s] skewed statistics biased upward by a small share of high earners”).

Nearly half of the disclosures (32) present “high” and “low” dollar amounts for each listed cohort, often alongside the average.

Twenty-one income disclosure statements provide at least some amount of data about the median reported income for participants or a subset of participants.<sup>40</sup> The median is the value in the middle of the data set.<sup>41</sup>

## B. Calculating Monthly or Annual Pay Using Only Pay Periods with Income

Some disclosures provide monthly or annual income figures that are calculated based only on pay periods in which participants received payments, rather than all pay periods for the month or year. For example: One disclosure displays a figure under the title “monthly income,” and explains in fine print that this data point is “based on ... weekly commissions data,” that it “only includes periods with earned commissions,” and that the “monthly income” figures were derived by multiplying the amount of the weekly checks by 4.33. This means that a participant who received only one check for the month, for \$100, would be treated as if they had earned \$433 for the month.

Many disclosures do not explain the calculations used in detail, so it is unclear how many disclosures employ this particular calculation method. Staff was able to positively identify its use in eight disclosures.

## C. Splitting a Participant’s Income into Multiple Ranks

Of the many disclosures that display data by rank, at least 13 compile, average, or otherwise calculate each rank’s data based solely on the payments made to participants who, for the relevant pay period,

[I]f a participant’s rank changes during the course of the year, their pay for the year is not represented in a single row of the table—instead, it is distributed across the rows for all of the ranks they qualified for or were paid at during the year.

qualified for that rank.<sup>42</sup> In other words, if a participant’s rank changes during the course of the year, their pay for the year is not represented in a single row of the table—instead, it is distributed across the rows for all of the ranks they qualified for or were paid at during the year. For example: Assume a person participates in an MLM for a full year, consistently working to make money, and they qualify for ranks in the MLM as follows:

<sup>40</sup> Only two disclosures provides the median dollar amount per cohort, and not the average.

<sup>41</sup> For example, if all participants in an MLM were standing in a line, organized from highest income to lowest income, the median income would be that of the participant in the exact middle of the line (i.e., with as many participants behind her as in front of her).

<sup>42</sup> At least another 30 disclosure statements do not indicate whether they employ this calculation method or not.



**Figure 10: Illustration of Hypothetical Participant's Rank Qualifications Over the Course of the Year**

Month	Rank
January	Did not qualify
February	Did not qualify
March	Level 1
April	Level 1
May	Level 1
June	Level 2
July	Level 1
August	Level 1
September	Level 2
October	Level 1
November	Did not qualify
December	Did not qualify

A disclosure that splits a participant's income into multiple ranks would use the amounts of this participant's income for March, April, May, July, August, and October in calculating the average monthly pay of a Level 1 participant, but use the participant's income for June and September in calculating the average monthly pay of a Level 2 participant. If, as in this example, participants' ranks fluctuate during the year, then the rows in the disclosure's table are not summaries of the results of different sets of actual participants. The disclosure statements using this split calculation method provide no or only limited information about how long participants in the various ranks remain in those ranks, such that it is often not possible to determine whether or how many participants in a given rank hold that rank (and receive the depicted income) for only a brief period of time.

This may be more easily understood by example: Suppose the disclosure statement lists income data by rank, and states that Level 2 comprises 4% of participants and has an average monthly income of \$1,000. If the MLM uses the split calculation method, it is equally possible that (a) 4% of participants are in Level 2 all year round, and each receive approximately \$12,000 per year, or (b) 4% of participants reach Level 2 for at least one pay period during the year, but nearly all of them immediately revert to a lower rank the following pay period where they receive little or no income, resulting in an average annual income of not much more than \$1,000.

A contrasting practice, which seems to be used in six of the disclosures, is to include all payments that a given participant received in a year in the calculations for a single rank, such as the highest rank the

participant qualified for that year.<sup>43</sup> Under this approach, each row of the table summarizes income information of a discrete set of actual individuals.

## D. Unclear Terminology

Nearly every disclosure statement uses prominent headings that describe the data provided as “income” or “earnings” without further qualification.<sup>44</sup> Terms such as “earnings” can mean different things in different contexts.<sup>45</sup> Less prominent text in the income disclosure statements shows that different disclosure statements define a given term, such as “compensation” or “earnings,” to mean different things. As a result, the “income” or “earnings” figures reported cover different categories in different disclosure statements. If a reader did not see or understand the less-prominent disclosures of this fact (which often appear in dense blocks of text or in fine print), it is not clear how they could know what the reported figures represent. And a reader has no way to accurately discern the meaning of such terms when the income disclosure statements do not define them at all. In those instances, consumers may be left to guess and apply their preconceived notions of what such terms mean.

[T]he “income” or “earnings” figures reported cover different categories in different disclosure statements.

For example, 14 of the 70 income disclosure statements include a disclosure that the amounts represented do not include retail income—that is, when a participant purchases a product from the MLM at a discount and then resells it (presumably at a higher price).<sup>46</sup> Most of the disclosure statements give no indication that such a revenue source has been omitted, and a few expressly state that they include retail income. As another example, at least one disclosure statement states that the “earnings” depicted

<sup>43</sup> Two disclosures use this practice. Another uses the rank as of the end of the year, and two use the highest rank at which a participant remained for a specific number of months during that year, and another uses the rank held most days of the year.

<sup>44</sup> The one outlier describes the data as “Annual Commission-Based Income.” It is not clear whether this phrase avoids the imprecision pointed out above. Eight of the 70 disclosure statements use headings with the word “gross” or “before expenses,” but none of these headings provides clarity on what revenue sources are included in the reported figures.

<sup>45</sup> For example, “earnings” can mean “something (such as wages) earned” or, in contrast, “the balance of revenue after costs and expenses.” Earnings, Merriam-Webster Dictionary (2023). And “income” can mean the “gain or recurrent benefit usually measured in money that derives from capital or labor” or, in contrast, “a company’s profit in a particular period of time.” Income, Merriam-Webster Dictionary (2023); Income, Cambridge English Dictionary (2023).

<sup>46</sup> These disclosure statements contrast income from in-person retail sales with amounts paid to participants by the MLM.

A few disclosure statements acknowledge that such reselling may result in losses. As one disclosure statement puts it, “The above figures .... DO NOT take into consideration ... profits or losses when products are resold by [participants].”

In addition to the 14 disclosure statements noted above, three more include statements indicating that their figures include some, but not all, personal retail sales income. Staff notes that it is possible that disclosures noting the omission of retail income could convey an impression regarding the likelihood of making retail income. Different disclosure statements use different wording, so such impressions may differ. For example, one states that the table “does not include retail profit a [participant] may have earned from the resale of [products],” while another states that the amounts do not include “the retail profits of 35-48% on all products [participants] have sold personally.”

include “money [participants] saved on their own purchases” of the MLM’s products due to their “discount.”

Another common term, “active,” is used in 39 of the 70 income disclosure statements.<sup>47</sup> For example, one states that in 2021, “of our active US members who worked on building a business with [MLM name] ... 21% did not earn any form of compensation.” Fifteen disclosure statements use but do not define “active” (including the disclosure statement just quoted), and the other twenty-four frequently define it less prominently, such as in small print or a footnote. As noted above (in Section IV), the definitions used to determine which participants are “active” vary from one disclosure statement to another.<sup>48</sup> As with “earnings,” if a reader did not see or understand the less-prominent disclosures, it is not clear how they could understand what the term means. And the reader has no way to do so when it is used in those income disclosure statements that do not define it, such as the one quoted above.

## E. Unexplained Discrepancies

In at least seven income disclosure statements, the data provided appears to be internally inconsistent. For example:

- One disclosure statement has a table that lists both average monthly pay and average annual pay—but the annual pay is not 12 times the monthly pay, and the table does not explain how the MLM calculated the figure.
- Another states that a group of 19,901 people make up 77.12% of the MLM’s “active Brand Ambassadors.” This means there must be 25,805 “active Brand Ambassadors” in total (77.12% of 25,805 is 19,901). But the disclosure includes a table that states that the lowest rank alone consists of 32,662 “[a]ctive ... Brand Ambassadors.”
- At least two disclosures present a table of different cohorts with the percentage of participants in each, along with dollar values, but the listed percentages do not add up to 100%. In one disclosure, they add up to 71%, in another, to just under 73%. It is not clear what group or groups of participants have been omitted from these disclosures.

## VIII. Many Income Disclosure Statements Disclose Important Information Inconspicuously

Many of the income disclosure statements reviewed by staff disclose various pieces of information that might temper a reader’s expectations about likely income. But most present such information in a less prominent or conspicuous manner when compared with the dollar amounts displayed. For example, this

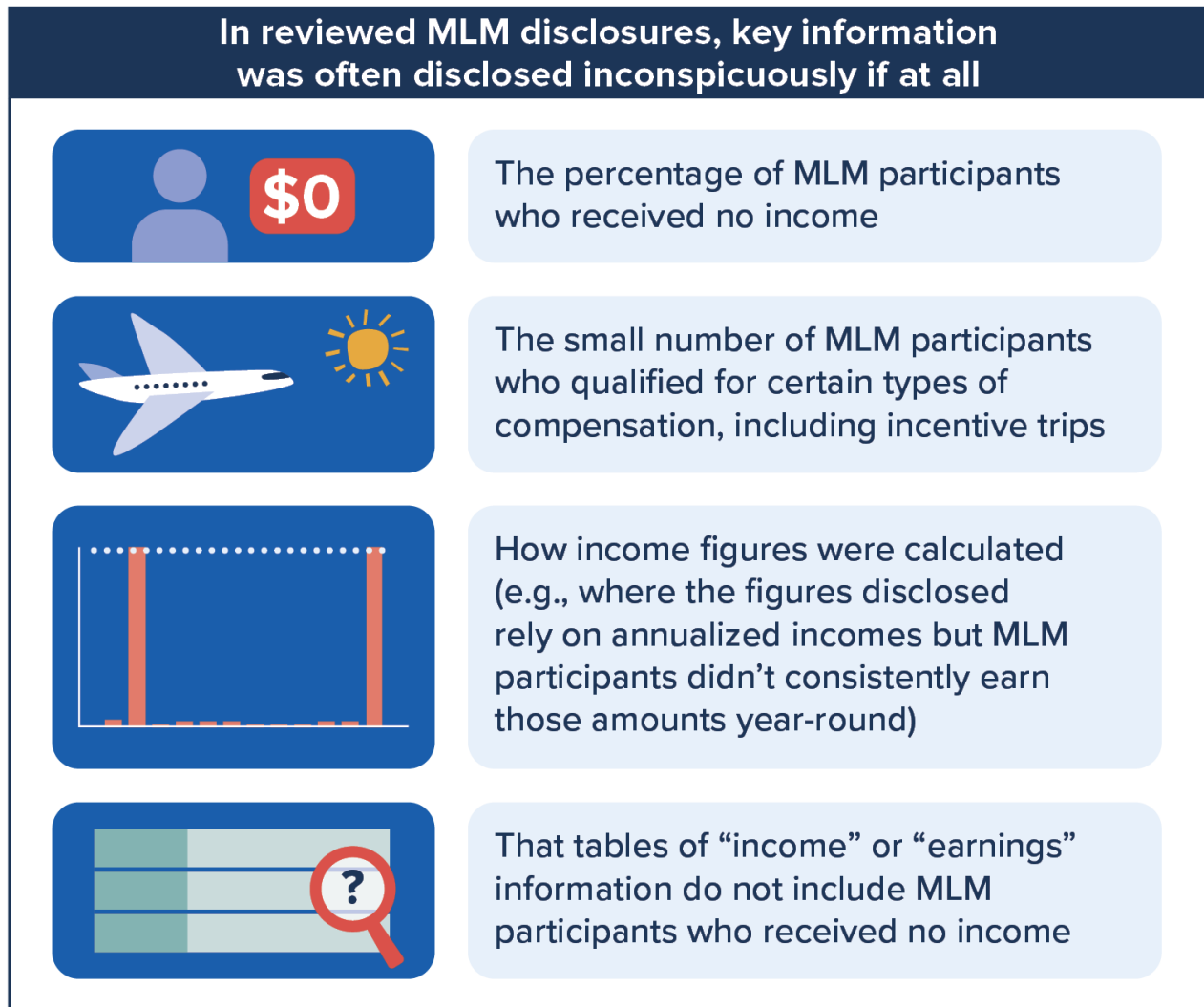
---

<sup>47</sup> Another refers to participants who are “actively building a business,” and does not define the phrase.

<sup>48</sup> See Appendix C (identifying income disclosure statements that use the term “active,” and, where provided, the definition provided for the term).

information sometimes appears only in fine or small print, or in the middle of a dense block of text. Examples of information disclosed in such an inconspicuous manner are set out in Figure 11, below.

**Figure 11: Key Information Disclosed Inconspicuously in Reviewed MLM Income Disclosure Statements**



As noted above, some disclosure statements do not disclose such information at all.

Some disclosure statements disclose this kind of information in a more prominent fashion. For example, ten clearly identify a percentage of participants who received no payments or otherwise had no reported income, such as by listing that group as a separate row in the income distribution table or stating the information in prominent, bolded text.

## IX. Many Make Claims for Which the Basis of the Claim Is Not Immediately Apparent

Several income disclosure statements include claims that may be significant to consumers considering the opportunity, and for which the basis of the claim is not immediately apparent. For example, 64 of the disclosures include statements about the qualities needed to earn income, such as hard work, diligence, or leadership, or state more generally that income will be determined by individual skill and effort. One disclosure stated that “Generating sales compensation ... requires considerable time, effort, and dedication. Success will also depend upon your skills, talents, and leadership abilities.” Another states, “it takes hard work to make substantial income in this business. Success requires personal effort and dedication,” and another simply claims, “the harder you work, the more money you will earn.” It is not apparent, and the disclosure statements do not explain, what basis there is to know that the listed qualities are the primary drivers of successful participants’ success, or that these qualities are what distinguish successful participants from unsuccessful participants.

---

It is not apparent, and the disclosure statements do not explain, what basis there is to know that the listed qualities [such as hard work] are the primary drivers of successful participants’ success ....

---

In addition to such personal qualities, eleven disclosure statements include items such as “market conditions,” “customer base,” or “economic factors” in their lists of things that could influence a participant’s level of income. Two more list “quality and depth of your network,” another lists “consumer demand for the products and/or services,” and a fourth states that “[m]any factors influence your ability to succeed; some of these factors could be outside of your control.” None includes a more explicit statement that external factors could constrain earnings, such as lack of demand for the product or an oversaturation of salespeople with the same or similar offerings in a market.<sup>49</sup>

Four disclosures list a figure for the “hours” typically worked by participants at different ranks, with the number going steadily up with rank. One of the four states that the figures are based on a survey with a confidence level of 95%, another states in a footnote that the figures are “estimates based on interviews, surveys and experience,” and the other two provide no information about the basis for the representations. Other income disclosure statements make more general statements, such as “Most of our Active Business Partners work part-time ... as a way to make a little extra money,” and provide no information about the basis for the representations.

---

<sup>49</sup> See *Holiday Magic Inc.*, 84 FTC 749, 973 & 1037 (1974), modified 85 FTC 90 (1975) (ALJ noting that “[e]ven a person who possesses [the needed] skills to an extraordinary degree can and will fail if the market to which he has access is eventually saturated,” and Commission finding “striking evidence that saturation of the market for distributors actually occurred”); *Koscot Interplanetary, Inc.*, 86 FTC 1106, 1135 & 1178 (1975) (ALJ finding defendants presented “false and misleading picture of the ... profits that could be made by beauty advisors” because “Koscot painted a picture of 400,000 beauty advisors each earning over \$8,000 a year in commissions,” which would mean “annual retail sales for Koscot of \$8.6 billion, when total retail sales by all companies of the type of products sold by Koscot amounted to only \$5.1 billion,” and Commission adopting ALJ’s findings of fact).

At least 16 of the 70 income disclosure statements demonstrate that all participants who received no income or made no sales are being treated as customers or as “inactive.”<sup>50</sup> Six more disclosure statements claim that some or all participants who received no or low income joined for reasons other than earning income, such as “simply to enjoy ... discounted Member Prices.”<sup>51</sup> None of these disclosure statements explains the basis for any claim that all such participants are merely customers or otherwise are not actively trying to make money with the MLM.

## X. Analysis of the Data and Fine Print Reveal that Many Participants Had No Reported Income or Only Limited Reported Income

Staff’s analysis of the disclosure statements’ data, including hidden or obscured information and data points knowable only through mathematical calculations based on the data provided, shows that, in many of the MLMs, most participants had little or no reported income.<sup>52</sup> In many instances, this fact is not immediately apparent from the face of the income disclosure statement, but can only be discovered

[I]n many of the MLMs, most participants had little or no reported income.

through careful analysis of the wording, including information disclosed only in fine print, an understanding of statistics, and performing additional mathematical calculations with the aid of a calculator or spreadsheet.

First, of the 70 disclosures, 27 provide the percentage of participants who receive no payments from the MLM.<sup>53</sup> In 17 income disclosure statements, the figure is expressly provided. Most of these disclosure statements provide this data point in a less prominent manner than the “income” or “earnings” figures. For example, the data may appear in small print, in the middle of a block of text, or lower on the page than the income amounts.<sup>54</sup>

<sup>50</sup> These disclosures either describe every purchaser who received no income as simply a customer, or define “active” to exclude participants who do not receive income or who do not meet sales quotas, or both.

<sup>51</sup> At least four more income disclosure statements make similar claims about participants’ non-income motivations without expressly stating that they are the reason for some participants’ lack of income.

<sup>52</sup> This analysis considered only income reported in the income disclosure statements, which in some cases is limited to commissions, and does not include profits (if any) from retail sales. *See supra* footnote 46 and associated text.

<sup>53</sup> A number of additional disclosure statements either provide this percentage or data from which it can be calculated, but are not considered here because the statements are internally inconsistent, undermining the reliability of all of their data. *See supra* Section VII.

<sup>54</sup> In contrast, a few disclosure statements provide this data point in a much more prominent manner. For example, one includes, as the very first row of its table by dollar amount ranges, a cohort for those with no income. In two income disclosures, the data point is provided under a different name: one disclosure provides the percent of participants with income of “[l]ess than \$1,” and another provides the percent who are “inactive,” while defining that term to mean participants “who did not earn any amount of commissions.”

**Figure 12: Example Income Disclosure Statement (MLM name redacted and highlighting added to identify express statement of the percent of participants with no reported income)**

## Preferred Customer and Affiliate Benefits

was founded in 1998 to benefit the health and lives of people around the world. Mission of Together, Building People through science, success, service, and satisfaction extends to over 50 countries, with offices in 25 countries. People join for a variety of reasons. Most join to enjoy the health benefits of exclusive Transfer Factor® products at a discounted price. Others join to earn part-time income. A select few join to build a full-time business.

### Preferred Customers

Individuals join as Preferred Customers to experience the benefits of exceptional products at wholesale prices and do not participate in the business. By joining as a Preferred Customer, you can purchase products at wholesale prices and you may receive additional discounts on the products you purchase for your personal and household use. All Preferred Customers pay a minimal enrollment fee.

### Affiliates

Those who desire to build a business and earn commissions on product sales may become Affiliates. Like Preferred Customers, Affiliates purchase product at wholesale

prices and may receive additional discounts on products. In addition, commissions may be earned pursuant to the compensation plan (Life Rewards Plan™). An Affiliate may cancel his/her Affiliate ID at any time and benefit from money-back guarantee. There is also no requirement for Affiliates to purchase large quantities of inventory. They set their own schedules and determine how much time they work.

### Affiliates may earn income from a number of sources, including:

1. Retail profits on products purchased for resale and sold to customers
2. Commissions on the sale of products to Preferred Customers they sponsor
3. Commissions on the sale of products by other Affiliates in their sales organizations

The income statistics below are for all Affiliates who received a commission payment from from January 1, 2021 through December 31, 2021. These amounts do not represent Affiliate profits, as they do not consider expenses incurred by Affiliates in the promotion and operation of their businesses. Also, these figures do not include retail profit earned by Affiliates from reselling products.

2021

	Monthly commission payments			Average annual commissions	Percent of Affiliates who earned a commission
	Average	Low	High		
Associate	\$42	<\$10	\$3,811	\$504	54.6%
Builder	\$101	<\$10	\$3,065	\$1,212	17.3%
Builder Elite*	\$176	<\$10	\$2,263	*	14.4%
Diamond	\$499	\$11	\$5,895	\$5,988	7.6%
Diamond Elite*	\$891	\$149	\$4,854	*	2.6%
Presidential	\$2,519	\$169	\$16,593	\$30,228	2.5%
Bronze	\$7,897	\$1,521	\$62,948	\$94,764	<1%
Bronze Elite*	\$10,231	\$3,236	\$45,768	*	<1%
Silver*	\$8,568	\$6,869	\$9,700	*	<1%
Silver Elite*	\$17,108	\$11,181	\$34,833	*	<1%
Gold	\$39,886	\$11,255	\$221,351	\$478,632	<1%
Gold Elite*	\$55,390	\$37,301	\$80,717	*	<1%
Platinum	\$162,114	\$77,578	\$343,895	\$1,945,368	<1%
Platinum Elite*	\$280,821	\$207,212	\$356,437	*	<1%

### Other Information

Approximately 68% of the people who joined to experience the benefits of products and enrolled as Preferred Customers remain Preferred Customers. Those who become Affiliates (primarily on a part-time basis to supplement their income) may experience the benefits of products, may sell products to family and friends, and may enroll others as Preferred Customers. **During the period presented, approximately 25% of all Affiliates received no income at all.** Those Affiliates who received no income are comprised of Affiliates who are inactive, but have not yet been terminated due to inactivity, or Affiliates whose Preferred Customers and sales organization purchased products in amounts that did not qualify them to earn commission payments. A very small percentage of individuals sell products and build a business on a full-time basis. Affiliates do not earn any compensation for simply recruiting and enrolling Preferred Customers as compensation is only earned on the sale of products.

The earnings of the Affiliates in this chart are not necessarily representative of the income, if any, that an Affiliate can or will earn through participation in the Life Rewards Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. Success with results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.

\*These are new Affiliate ranks that were instituted during 2021, therefore a full year's data is not available.

Ten income disclosure statements do not expressly provide the percent of participants with no reported income, but the figure can be calculated based on other data in the disclosure statement.<sup>55</sup> For example:

**Figure 13: Excerpt from Income Disclosure Statement (MLM names redacted and highlighting added to identify information needed to calculate percent of participants who received no payments from the MLM)**

## Income Disclosure Statement

At [REDACTED], we have a passion for helping you create a life you love, whether you are joining for more flavor, cash, or fun. How much you earn depends on many factors, for example how much you sell, the amount of time and effort you invest in your business, and how driven you are to achieve your personal goals.

One of our principles is to build trust by being “real.” The grid below shows the earnings of our active [REDACTED] consultants. This includes sales commissions of 15-40%, leadership commissions, bonuses, and the value of incentives. These figures are not guarantees or projections of your potential earnings.

The average 2021 income for an active consultant was \$1,434.

Average Annual Earnings	Active Consultants
\$0-\$99	25%
\$100-\$499	44%
\$500-\$999	12%
\$1,000-\$4,999	13%
Over \$5,000	6%
<b>Total</b>	<b>100%</b>

### Definitions and Assumptions

- Business expenses are not reflected in income.
- An active consultant sold \$200 or more in a calendar quarter.
- Unlike some direct selling companies, when consultants drop below \$200 in a quarter, they become a [REDACTED] consultant who can begin earning a commission whenever their quarterly sales reach \$200 or more, without having to pay to re-start their business. If they have no sales for 15 months, they are deactivated.
- When including [REDACTED] in our total consultant count, plus consultants who never became active, the average 2021 income was \$834.
- To learn more about our compensation plan, see [Ways to Earn Cash](#).

<sup>55</sup> One of these 10 income disclosures gives a figure expressly, but only for participants the MLM deems “Distributors.” It is not clear whether this group includes all participants interested in or attempting to generate income. Accordingly, this figure is treated as a lower bound. An upper bound can be calculated using other information provided in the income disclosure statement. See, e.g., Appendix D, p. 46.



The income disclosure depicted in Figure 13 states that the average income for “active” participants in the MLM is \$1,434, before expenses. The highlighted text also reflects that, when considering all participants together (never active, currently active, and previously active but now inactive due to selling less than \$200 in a quarter), the average income is \$834, before expenses. It is also clearly implied that participants who are not active did not receive income. With these data points and using algebra, one can calculate the percentage of participants who received no income. The percent of participants who are active is equal to the ratio of the average income figures:  $\$834 / \$1,434 = 0.58159$ , or 58.2%. It follows that the remainder, 41.8%, are not active, and so did not receive income.

Considering the data from all 27 income disclosures that expressly provide the figure or the underlying data necessary to calculate the figure, the percent of participants with no income ranges from 90% to 3.6%, but in most (17 of 27 disclosures) it is more than 50%.

---

Considering the data from all 27 income disclosures that expressly provide the figure or the underlying data necessary to calculate the figure, the percent of participants with no income ranges from 90% to 3.6%, but in most (17 of 27 disclosures) it is more than 50%.

---

Second, staff examined the data and fine print information provided in the disclosures. For 33 of the disclosures,<sup>56</sup> staff calculated the portion of participants with \$1,000 or less in reported income for the year.<sup>57</sup> In some disclosures, the data is insufficient to allow calculation of the exact percentage, and in these cases staff has used the data to determine the range of percentages that are possible. Because different disclosures present different data sets, staff employed different calculation methodologies. These complex calculations were possible only through careful application of algebra. Additional information regarding the methods of these staff calculations is provided in the attached Appendix D. In some disclosures, such calculations lead to figures that are lower than the true percentages because the data excludes some participants (e.g., “inactive” participants). Where it is not obvious that the missing data is a large group, the percentage is calculated based on the data in the disclosure statement, and a description of the set of participants missing from that data is provided.<sup>58</sup> Most of these figures do not account for any expenses.<sup>59</sup> Nine of the 33 income disclosure statements indicate that the dollar amounts reported do not account (or do not fully account) for participants’ income from retail sales, if any.<sup>60</sup> These are marked with a dagger (†).

---

<sup>56</sup> The set of disclosures from which this percentage can be calculated is different from, but partially overlaps with, the set of disclosures from which the percentage of participants receiving \$0 can be determined.

<sup>57</sup> Seven of the 33 state that they do not include income from retail sales in their income data; two state that they include some retail sales income; one states it does include retail sales income, and the remaining 23 do not expressly address the question.

<sup>58</sup> Where it appears that omission of the missing data would substantively alter the results of the calculations, staff has not calculated the figure, and omitted the MLM from the table in Figure 14.

<sup>59</sup> At least one disclosure provided income data after taking into account certain specific costs, but it did not account for all expenses.

<sup>60</sup> See *supra* note 46 and accompanying text.

**Figure 14: Results of Staff's Calculations of Percent of Participants Making \$1,000 or Less, Based on Analysis of Fine Print and Data in Disclosures**

MLM	Participants with \$1000 or less in reported annual income	Notes
1	99.4%	
2	99% - 99.6%	Figures may be underestimates.
3	97.3% - 99.7% <sup>†</sup>	
4	95% - 99.5%	Lower bound is % receiving \$960 or less.
5	93.7%	
6	92.4% - 98.5%	Lower bound is % receiving less than \$977.
7	90.9% <sup>†</sup>	Figure may be underestimate.
8	89.8% - 99.8% <sup>†</sup>	
9	88.9%	
10	87.4%	
11	86.7% - 100%* <sup>†61</sup>	
12	85.3% <sup>†</sup>	Figure is % receiving \$1,000 or less in "net profits."
13	83.3% - 94%	
14	80.6% - 96% <sup>†</sup>	
15	79.1% - 95.5% <sup>†</sup>	
16	78% - 93.6%	Lower bound is % receiving less than or equal to \$420.
17	78%	
18	76% - 100%*	Lower bound is % receiving \$0.
19	75.9% - 84.4%	
20	73% - 100%*	Lower bound is % receiving \$0.
21	69.6% - 100%*	Lower bound is % receiving \$0.
22	69.2% - 90.1%	
23	66%	
24	63% - 100%*	Lower bound is % receiving \$0.
25	63% - 100%*	Lower bound is % receiving less than \$100.
26	60.8%	
27	60.2% - 97.4%	
28	59.9% - 100%*	Lower bound is % receiving \$0.
29	57.6% - 89.5% <sup>†</sup>	
30	56.3% - 100%* <sup>†</sup>	Lower bound is % receiving \$0.
31	54.6% - 99.5%	
32	52% - 100%*	Lower bound is % receiving \$0.
33	25% - 58.7%	

<sup>61</sup> Upper bounds marked with an asterisk are non-inclusive of 100%. That is, the income disclosure statement shows that at least one (or more) participant received more than \$1,000, but it is mathematically possible that the group receiving \$1,000 or less is arbitrarily close to 100%, such as 99.99%, which would be depicted as "100%" in the above table due to rounding.

## XI. Conclusion

This report identifies a number of practices used across many of the 70 income disclosure statements reviewed. Among other things, the disclosure statements: (a) present income data that does not take account of participants who made little or no income, often without clearly explaining the limitation; (b) do not account for expenses incurred by participants, often without clearly stating the limitation; (c) emphasize high dollar amounts received by a relatively small number of participants; (d) do not include information about the limited income that most participants receive, or provide this information only inconspicuously; and (e) use terms and present income data in potentially confusing or ambiguous ways.

And, for those MLMs where the data is sufficient to calculate it, the data shows that many participants received no payments from the MLM, and the vast majority received \$1,000 or less per year—less than \$84 per month, on average.

## Appendix A

### Examples of Prominent Tables with Dollar Figures from Four of the 70 Income Disclosure Statements Reviewed

**Table 1**

Earnings Disclosure Statement 2021 CONSUMER NOTICE OF INCOME AVERAGES							
ACTIVE DISTRIBUTORS FOR PAID RANK	NUMBER OF ACTIVE DISTRIBUTORS	ANNUAL INCOME FOR THE PERIOD JAN 2021 - DEC 2021 (US DOLLARS) (ACTIVE DISTRIBUTORS)			Time to Achieve Paid Rank (in months)		
		HIGH	LOW	AVERAGE	HIGH	LOW	AVERAGE
Senior Director	1.1%	\$182,169.52	\$73,588.43	\$118,186.64	89	7	20
Director	1.1%	\$61,654.13	\$31,226.80	\$53,259.95	80	2	16
Quadruple Diamond	0.3%	\$21,923.45	\$21,923.45	\$21,923.45	80	6	29
Triple Diamond	0.3%	\$40,202.00	\$40,202.00	\$40,202.00	79	2	23
Double Diamond	0.5%	\$15,817.45	\$12,560.75	\$14,189.10	79	1	18
Diamond	1.1%	\$18,917.70	\$3,277.10	\$12,567.68	75	1	11
Fully Qualified Manager	4.8%	\$24,800.75	\$615.20	\$6,026.07	210	0	6
Manager	73.1%	\$4,225.15	\$32.50	\$640.76	230	0	8
Affiliate	9.4%	\$323.30	\$0.00	\$294.67	230	0	2
Partner	8.3%	\$29.60	\$5.50	\$10.45	230	0	0

**Table 2**

#### 2022 Income Ranges of ALL Associates

RANGE (In USD)	% OF ASSOCIATES	AVG & MEDIAN # MO IN THE BUSINESS	RANGE (In USD)	% OF ASSOCIATES	AVG & MEDIAN # MO IN THE BUSINESS	RANGE (In USD)	% OF ASSOCIATES	AVG & MEDIAN # MO IN THE BUSINESS
No Earnings	43.11%	5.18	\$2,500.01 - \$5,000.00	0.66%	19.15	\$30,000.01 - \$50,000.00	0.034%	47.27
\$0.01 - \$50.00	9.88%	5.26	\$5,000.01 - \$7,500.00	0.21%	23.53	\$50,000.01 - \$75,000.00	0.018%	56.40
\$50.01 - \$250.00	10.84%	6.51	\$7,500.01 - \$10,000.00	0.10%	27.52	\$75,000.01 - \$100,000.00	0.007%	68.43
\$250.01 - \$500.00	3.16%	9.29	\$10,000.01 - \$15,000.00	0.096%	30.61	\$100,000.01 - \$150,000.00	0.008%	69.52
\$500.01 - \$1,000.00	2.69%	11.16	\$15,000.01 - \$20,000.00	0.052%	34.28	\$150,000.01 - \$200,000.00	0.004%	68.95
\$1,000.01 - \$2,500.00	1.91%	14.43	\$20,000.01 - \$30,000.00	0.048%	42.40	\$200,000.01 +	0.012%	101.37

**Table 3**

<b>RANK</b>	<b>HIGH</b>	<b>LOW</b>	<b>AVERAGE</b>	<b>MEDIAN</b>
Associate	\$18,500	\$0	\$554	\$255
Copper	\$40,750	\$0	\$1,753	\$1,000
Bronze	\$82,500	\$250	\$5,490	\$2,750
Silver	\$164,000	\$500	\$18,900	\$8,375
Gold	\$243,500	\$5,500	\$62,394	\$37,500
Executive Gold	\$322,250	\$34,028	\$178,256	\$179,000
Presidential Gold	N/A*	N/A*	N/A*	N/A*

**Table 4**

## 2021 ANNUAL INCOME RANGES OF ALL INDEPENDENT [REDACTED] COACHES

Range	% of Independent [REDACTED] Coaches	Average No. of Months in the business	Median No. of Months in the business
NO EARNINGS	19.83%	12	12
\$0.01 - \$100.00	7.25%	14	12
\$100.01 - \$250.00	11.34%	13	10
\$250.01 - \$500.00	10.66%	16	11
\$500.01 - \$1,000.00	11.71%	19	12
\$1,000.01 - \$2,500.00	13.46%	20	12
\$2,500.01 - \$5,000.00	8.06%	21	13
\$5,000.01 - \$7,500.00	3.66%	22	15
\$7,500.01 - \$10,000.00	2.17%	23	16
\$10,000.01 - \$15,000.00	2.65%	23	16
\$15,000.01 - \$20,000.00	1.83%	24	17
\$20,000.01 - \$30,000.00	2.49%	27	19
\$30,000.01 - \$50,000.00	2.59%	32	22
\$50,000.01 - \$100,000.00	1.60%	41	33
\$100,000.01 - \$200,000.00	0.46%	52	44
\$200,000.01+	0.24%	82	64

\*Based on 2021 Annual Income Ranges of ALL Independent [REDACTED] Coaches operating in the U.S. under the U.S. Compensation Plan.

## Appendix B

### Whose Data is Included in the Income Distributions in the Reviewed Income Disclosure Statements?

MLM #	Participants whose income data is included in the income distribution
1	Participants who received income
2	Participants who received income
4	Participants who received income
7	Participants who received income
8	Participants who received income
12	Participants who received income
14	Participants who received income
15	Participants who received income
16	Participants who received income
17	Participants who received income
18	Participants who received income
21	Participants who received income
22	Participants who received income
23	Participants who received income
28	Participants who received income
32	Participants who received income
38	Participants who received income over \$500
41	Participants who received income
42	Participants who received income
44	Participants who received income
47	Participants who received income
51	Participants who received income
52	Participants who received income
53	Participants who received income
55	Participants who received income
57	Participants who received income
61	Participants who received income and were participants for the full year
66	Participants who received income
70	Participants who received income
5	“Active” participants: those who “ha[ve] purchased at least one product in the last 12 months”
10	“Active” participants: “USA: An active BA is a BA who sells a minimum of 60 BV worth of products to their personally enrolled Retail or Preferred Customer(s) every month. Global: An active BA is a BA who buys a minimum of 60 BV worth of products every month.”

<b>MLM #</b>	<b>Participants whose income data is included in the income distribution</b>
19	“Active” participants: not defined
37	“Active” participants: those who “had at least one other Consultant or Customer in their personally sponsored downline during the calendar year”
39	“Active” participants: those who “(A)(i) made a sale to a customer, or (ii) had a personal purchase in the prior 18 months and (B) was registered as a Brand Partner during the entire period January 2021 - December 2021.”
40	“Active” participants: those who “maintain at least 140 PV within a 5-week rolling period”
43	“Active” participants: those who “1) Executed an [MLM name] Marketing Partner Application/Agreement. 2) Ha[ve] sponsored at least one person, and 3) Ha[ve] had a commission check in at least one period within the reporting time frame.”
45	“Active” participants: those who “enroll[] with [MLM name] for \$19.95 initial fee and \$19.95 monthly”
50	“Active” participants: not defined
60	“Active” participants: those who “sold \$200 or more in a calendar quarter”
64	“Active” participants: those who “made at least one purchase in 2022”
67	“Active” participants: those who “ha[ve] enrolled in the [MLM name] Opportunity and [are] entitled to (1) purchase [MLM name] products at wholesale prices to resell to Retail Customers (RRCs), (2) personally sponsor new RRCs, Select Customers(SCs) and other IDs, and (3) take part in all company ID compensation and incentive programs. ... IDs maintain their Active Status through product sales.”
3	Other Limitation: Participants who “have decided to build a business” or who “are actively building a business,”” which are not defined
6	Other Limitation: Participants in all but the lowest rank (“because they are not eligible to earn downline commissions”)
9	Other Limitation: Participants who “were eligible to earn commissions,” which is not defined
13	Other Limitation: Participants who were “”active” and who were “eligible to earn commission,” which are not defined
20	Other Limitation: Participants who are “eligible to qualify for downline commissions,” which is not defined
25	Other Limitation: Participants who are “active,” meaning they “received a commission or bonus check within the disclosure period,” and who “reached the rank of Jade or above”
34	Other Limitation: Participants who are “[a]ctive and qualified,” which is not defined
35	Other Limitation: Participants who “sponsored at least one person and had some activity in 2021”
36	Other Limitation: Participants “with an active account,” which is not defined
63	Other Limitation: Participants who are “Selling Consultants,” which is not defined

MLM #	Participants whose income data is included in the income distribution
65	Other Limitation: Participants who “made at least one purchase,” “have sponsored at least one Customer or one Associate,” and “have received a commission check from [MLM name] for the sales of products made by their downline.”
68	Other Limitation: Participants who “made at least one product purchase in the prior 12 months”
11	Unknown
26	Unknown
27	Unknown
29	Unknown
49	Unknown
56	Unknown
24	All participants
30	All participants
31	All participants
33	All participants
46	All participants
48	All participants
54	All participants
58	All participants
59	All participants
62	All participants
69	All participants



## Appendix C

### Definitions of “Active” in Reviewed Income Disclosure Statements

MLM #	Definition of “Active”
3	Not defined
5	“has purchased at least one product in the last 12 months”
8	Not defined
10	“sells a minimum of 60 BV worth of products to their personally enrolled Retail or Preferred Customer(s) every month.”
13	Not defined
16	Not defined
19	Not defined
20	Not defined
21	Not defined
22	“earned at least one commission in 2021”
24	“qualify to earn all profits, commissions, and bonuses available in their position”
25	“received a commission or bonus check within the disclosure period”
29	Not defined
30	Not defined
32	Not defined
33	“earned any amount of commissions in the 2021 calendar year”
34	Not defined
36	Not defined
37	“had at least one other Consultant or Customer in their personally sponsored downline during the calendar year of 2021”
38	Not defined
39	“(A)(i) made a sale to a customer, or (ii) had a personal purchase in the prior 18 months and (B) was registered as a Brand Partner during the entire period January 2021 - December 2021”
40	“maintain at least 140 PV within a 5-week rolling period”
41	“have placed at least one product order with the Company during the preceding twelve-month period”
42	“either made a personal purchase, sponsored another account, or received a Sharing Bonus during the most recent three-month period”
43	“1) Executed an [MLM name] Marketing Partner Application/Agreement. 2) Has sponsored at least one person, and 3) Has had a commission check in at least one period within the reporting time frame.”
45	“enrolls with [MLM name] for \$19.95 initial fee and \$19.95 monthly”
46	Not defined

<b>MLM #</b>	<b>Definition of “Active”</b>
47	“earned any commissions with [MLM name] in any 6 month period in 2021”
48	“at least one active sale”
50	Not defined
52	“sold \$1 PCV (personal commissionable volume) or more within a Commission Cycle”
54	“personal volume greater than \$0.00”
57	“has 100 PV or more in a month”
58	“made at least one sale during this income period”
60	“sold \$200 or more in a calendar quarter”
64	“made at least one purchase in 2022”
65	Not defined
66	“has at least 30 PV in sales volume in a 90-day period”
67	“has enrolled in the [MLM name] Opportunity and is entitled to (1) purchase [MLM name] products at wholesale prices to resell to Retail Customers (RRCs), (2) personally sponsor new RRCs, Select Customers(SCs) and other IDs, and (3) take part in all company ID compensation and incentive programs. IDs maintain their Active Status through product sales.”
69	“placed or sold a commissionable product order in 2019, and, that did not cancel in 2019”

## Appendix D

### Details of Calculations Summarized in Section X

#### Figures Given Expressly

This table lists statistics which are expressly stated in the MLM Income Disclosure Statement. For example, where the income disclosure statement includes a statement of the form “X% of participants received no income” or “X% of participants received less than \$1000.”

MLM No.	Statistic Given Expressly	Notes
1	25 % of participants received no income	
9	27 % of participants received no income	
12	66 % of participants received \$1,000 or less	A
22	3.63 % of participants received no income	
28	90 % of participants received no income	
31	19.83 % of participants received no income	
33	39 % of participants received no income	
39	59.9 % of participants received no income	B
46	85.6 % of participants received no income	
47	5 % of participants received no income	
50	72.5 % of participants received no income	
51	56 % of participants received no income	
53	52 % of participants received no income	
54	29 % of participants received no income	
58	69.61 % of participants received no income	
62	25.13 % of participants received no income	C
67	75.99 % of participants received no income	
69	80 % of participants received no income	

- A. The income disclosure statement states that 66% of participants received less than \$1,000, so this percentage does not include any participants who made exactly \$1,000. Thus the percentage of participants who received \$1,000 or less may be higher than 66%
- B. income disclosure statement states that 59.9% of active participants did not receive any cash commissions. The income disclosure statement states that a participant is deemed active if (a) they made a sale to a customer or had a personal purchase in the prior 18 months, AND (b) they were registered as a participant during the entire period January 2021 - December 2021. Thus, the percentage of all participants who received no income may be higher than 59.9%.
- C. income disclosure statement states that 25.13% of participants received less than \$1. The report assumes these participants received no income.

## Figures Calculated by Staff

The following tables detail the calculations performed by staff where the percentage of participants with no reported income or with \$1,000 or less in reported income for the year was not expressly provided, but the figure can be calculated based on other data in the disclosure statement.

Each table provides information regarding a specific statistic calculated. An example is below.

**Example Table**

	A	B
1	<b>MLM No.</b>	21
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Average incomes given for all participants, and for those with income
6		
7	<b>Summary</b>	Backed out from given figures on: (1) average income for all participants (paid and unpaid), (2) average income for participants receiving income.
8		
9		
10		
11	<b>Point Estimate</b>	
12	69.4893752	=100*(A22-A21)/A22
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	962	Average income of all U.S. participants
22	3153	Average income of all U.S. participants who received income from the MLM

- Cell B1 identifies the MLM by the same number used elsewhere in this Report.
- Cell B3 identifies the statistic calculated.
- Cell B5 provides a short summary of the “type” of calculations performed.
- Cell B7 provides a longer summary describing in more detail the steps of the calculations performed.
- Cells B12, B15, and B18 state the formula(s) used to calculate the statistic(s), and identify whether the statistic is a point estimate, lower bound, or upper bound.
- Cells B21 and below (as needed, e.g., B22, B23, etc.) identify each data point relied upon in the calculations.

	A	B
1	<b>MLM No.</b>	4
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	% receiving more than \$0 given in text
6		
7	<b>Summary</b>	N/A
8		
9		
10		
11	<b>Point Estimate</b>	
12	56.26	=100-A21
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	43.74	% of participants receiving at least one commission or bonus payment

	A	B
1	<b>MLM No.</b>	21
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Average incomes given for all participants, and for those with income
6		
7	<b>Summary</b>	Backed out from given figures on: (1) average income for all participants (paid and unpaid), (2) average income for participants receiving income.
8		
9		
10		
11	<b>Point Estimate</b>	
12	69.4893752	=100*(A22-A21)/A22
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	962	Average income of all U.S. participants
22	3153	Average income of all U.S. participants who received income from the MLM

	A	B
1	<b>MLM No.</b>	27
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Number of participants and number with income given
6		
7	<b>Summary</b>	Total number of participants and total number of participants receiving income given in text.
8		
9		
10		
11	<b>Point Estimate</b>	
12	63.03509565	=100*(1 - A22/A21)
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	66390	# of U.S. Distributors
22	24541	# of U.S. Distributors Paid

	A	B
1	<b>MLM No.</b>	37
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Number of participants and number with income given
6		
7	<b>Summary</b>	Total number of participants and total number of participants who received income given in text.
8		
9		
10		
11	<b>Point Estimate</b>	
12	70.66057409	=100*(1-A21/A22)
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	9567	Number of participants who received commissions
22	32608	Number of all participants



	A	B
1	<b>MLM No.</b>	48
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Backed out from Quantiles
6		
7	<b>Summary</b>	Lower bound established from claim the bottom 25% of participants receive \$0 on average, upper bound established knowing the middle 50% of participants have a low of \$0, a high of \$5191, and an average of \$2367.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	25	=A25
16		
17	<b>Upper Bound</b>	
18	52.20092468	=A25+A26*((A24-A22)/A24)
19		
20	<b>Data Points</b>	
21	0	\$ Average of bottom 25%
22	2367	\$ Average of middle 50%
23	0	\$ Low of middle 50%
24	5191	\$ High of middle 50%
25	25	% in bottom 25%
26	50	% in middle 50%

	A	B
1	<b>MLM No.</b>	57
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	% receiving more than \$0 given in text
6		
7	<b>Summary</b>	N/A
8		
9		
10		
11	<b>Point Estimate</b>	
12	73	=100-A21
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	27	% of participants who received a payment

	A	B
1	<b>MLM No.</b>	60
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Average incomes given for all participants, and for those with income
6		
7	<b>Summary</b>	Backed out from given figures on: (1) average income for all Consultants (active, inactive, and TS Perks Consultant), (2) average income for Active Consultants (the only ones who received income).
8		
9		
10		
11	<b>Point Estimate</b>	
12	41.84100418	=100*(A22-A21)/A22
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	834	\$ Average income for all Consultants
22	1434	\$ Average income for Active Consultants

	A	B
1	<b>MLM No.</b>	61
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	% receiving more than \$0 given in text
6		
7	<b>Summary</b>	N/A
8		
9		
10		
11	<b>Point Estimate</b>	
12	25.8	=100-A21
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	74.2	% of participants who received a bonus or commission

	A	B
1	<b>MLM No.</b>	66
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Percent of "business builders" receiving income given
6		
7	<b>Summary</b>	Lower bound assumes all Members who are not Distributors are non-participant retail customers, upper bound assumes they are all participants who received no income.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	68.42	=A22
16		
17	<b>Upper Bound</b>	
18	94.9472	=A22/100*A21+(100-A21)
19		
20	<b>Data Points</b>	
21	16	% of Members who are Distributors
22	68.42	% of Distibutors who did not receive income

	A	B
1	<b>MLM No.</b>	68
2		
3	<b>Statistic</b>	% receiving \$0
4		
5	<b>Type</b>	Backed out from quantile per rank
6		
7	<b>Summary</b>	Lower bound uses fact that at least 50% of Associates received \$0. Upper bound uses fact that up to 50% of Stars and Senior Stars could receive \$0, while the maximum percent of Associates receiving \$0 can be calculated knowing the median, high, and mean income of Associates.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	32.05	=A21/2
16		
17	<b>Upper Bound</b>	
18	77.6957429	=A21*(A23-A24)/A23+0.5*A25+0.5*A26
19		
20	<b>Data Points</b>	
21	64.1	% of participants at Associate rank
22	0	\$ Median Annual Income for Associate rank
23	599	\$ High Annual Income for Associate rank
24	22	\$ Average Annual Income for Associate rank
25	25	% of participants at Star rank
26	6.9	% of participants at Senior Star rank
27	0	\$ Low Annual Income for Star rank
28	0	\$ Low Annual Income for Senior Star rank
29	2723	\$ High Annual Income for Star rank
30	64608	\$ High Annual Income for Senior Star rank

	A	B
1	<b>MLM No.</b>	4
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Lower bound given by percent of participants who received no income. Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	56.26	=A21
16		
17	<b>Upper Bound</b>	
18	100	See summary
19		
20	<b>Data Points</b>	
21	56.26	% of participants who received no income (see \$0 explanation for MLM No. 4)

	A	B
1	<b>MLM No.</b>	9
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	% receiving >\$1k given
6		
7	<b>Summary</b>	Percent receiving >\$1k given.
8		
9		
10		
11	<b>Point Estimate</b>	
12	78	=100-A21
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	22	% of participants who received more than \$1000



	A	B
1	<b>MLM No.</b>	18
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual income tiers
6		
7	<b>Summary</b>	Lower bound uses all participants in the under \$500 income tier, plus 50% of \$500-1500 income tier (given median is <\$1000). Given average is \$869.28, it is possible for 50% of this group to receive \$500, and 50% to receive \$1,238.56 to obtain the average. For upper bound, note that all participants in the \$500-\$1500 income tier could receive under \$1,000, e.g. 66.2% receive \$802.5 and the remainder receive \$999.99.
8		
9		
10		
11		
12		
13	<b>Point Estimate</b>	
14	N/A	
15		
16	<b>Lower Bound</b>	
17	75.94	=A23+A24*(0.5)
18		
19	<b>Upper Bound</b>	
20	84.39	=A23+A24
21		
22	<b>Data Points</b>	
23	67.49	% of participants in Under \$500 income tier
24	16.9	% of participants in \$500 to \$1500 income tier
25	802.5	\$ Median income for \$500 to \$1500 income tier
26	869.28	\$ Average income for \$500 to \$1500 income tier

	A	B
1	<b>MLM No.</b>	20
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Minimums and maximums determined by rank. Call A the average income for a given rank, and M the maximum income for the rank.
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28	<b>Point Estimate</b>	
29	N/A	
30		
31	<b>Lower Bound</b>	
32	97.3104276	$=A38+A40*(1000.01-A42)/1000.01+A44*(1000.01-A45)/1000.01+A46*(1000.01-A47)/1000.01+A48*(1000.01-A49)/1000.01$
33		
34	<b>Upper Bound</b>	
35	99.66187105	$=A38+A40+A44+A46+A48+A50*(A51-A52)/(A51-1000)+A53*(A54-A55)/(A54-1000)$
36		
37	<b>Data Points</b>	
38	2.11	% of participants in Promoter rank
39	92.21	\$ High annual income for Promoter rank

40	93.85	% of participants in Promoter 1 rank
41	1001.53	\$ High annual income for Promoter 1 rank
42	4.84	\$ Average annual income for Promoter 1 rank
43	0	\$ Low annual income for Promoter, Promoter 1-4, Promoter Silver ranks
44	1.59	% of participants in Promoter 2 rank
45	201.34	\$ Average annual income for Promoter 2 rank
46	0.85	% of participants in Promoter 3 rank
47	491.35	\$ Average annual income Promoter 3 rank
48	0.32	% of participants in Promoter 4 rank
49	679.92	\$ Average annual income for Promoter 4 rank
50	0.98	% of participants in Promoter Silver rank
51	12925.14	\$ High annual income for Promoter Silver rank
52	2077.98	\$ Average annual income for Promoter Silver rank
53	0.09	% of participants in Promoter Gold rank
54	30995.89	\$ High annual income for Promoter Gold rank
55	14178.62	\$ Average annual income for Promoter Gold rank

	A	B
1	<b>MLM No.</b>	21
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual income statistics of those who received income
6		
7	<b>Summary</b>	Lower bound uses the average income of all participants and the average income of participants who received income to calculate the percent of participants who received no income, adds this to 75% because 50% of the top 50% make less than \$977. So lower bound indicates percent of all participants receiving \$977 or less. Upper bound is the highest number we can calculate, as we know at least the top 5% receive more than \$1000 given their median.
8		
9		
10		
11		
12		
13	<b>Point Estimate</b>	
14	N/A	
15		
16	<b>Lower Bound</b>	
17	92.3723438	$=100*(A24-A23)/(A24)+(1-(A24-A23)/(A24))*100*0.75$
18		
19	<b>Upper Bound</b>	
20	98.47446876	$=100*(A24-A23)/(A24)+(1-(A24-A23)/(A24))*100*0.95$
21		
22	<b>Data Points</b>	
23	962	\$ Average income of all participants
24	3153	\$ Average income of participants who received income
25	977	\$ Median income of top 50% of those with income
26	6901	\$ Median income of top 10% of those with income
27	26888	\$ Average income of top 10% of those with income

	A	B
1	<b>MLM No.</b>	27
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Lower bound given by percent of participants who did not receive income. Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	63.03509565	=A21
16		
17	<b>Upper Bound</b>	
18	100	See summary
19		
20	<b>Data Points</b>	
21	63.03509565	% of participants who did not receive income (see \$0 figure explanation for MLM No. 27)

	A	B
1	<b>MLM No.</b>	28
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual income statistics of those paid
6		
7	<b>Summary</b>	Backed out from percent of participants who received no income, and percent of participants who did receive income but received less than \$1000.
8		
9		
10		
11	<b>Point Estimate</b>	
12	99.4	$=(100-A22)+A21/100*A22$
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	94	% of participants who received income, who received between \$0.01 and \$1,000.00
22	10	% of participants who received income

	A	B
1	<b>MLM No.</b>	31
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Income quantiles given
6		
7	<b>Summary</b>	Summed percent in covered quantiles.
8		
9		
10		
11	<b>Point Estimate</b>	
12	60.79	=A21+A22+A23+A24+A25
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	19.83	% of participants who had no income
22	7.25	% of participants with income of \$0.01-\$100
23	11.34	% of participants with income of \$100.01-\$250
24	10.66	% of participants with income of \$250.01-\$500
25	11.71	% of participants with income of \$500.01-\$1000

	A	B
1	<b>MLM No.</b>	33
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	A lower bound on the percentage receiving less than \$1k is obtained by restricting our sample to Market Partners (93.36% of all participants), and noting that 50% of these received less than or equal to \$21. Thus at minimum .5*93.36% received less than \$1k. We are then interested in the lower bound percentage of remaining Market Partners with income <= \$1000. This is obtained by assuming the bottom 50% receive \$0, p% receive the median (\$21), and (100-p-50)% receive \$1000.01. The p that gives us an average of \$144 is 36.36. So 50+36.36=86.36% of Market Partners, at minimum, receive less than \$1000, so 86.36*93.36%=80.6291% of all participants, at minimum, receive \$1000 or less. Upper bound uses 100% of Market Partners (as there could be sufficiently many participants in the rank such that if one participant receives \$M>1000 and everyone else receives less than \$1000, the percent receiving less than \$1000 is so close to 100% that it would be rounded to 100%), and half of Managing Market Partner, Associate Market Builder, and Market Builder (it is possible that all participants in these ranks with income under the median income receive less than \$1k).
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	<b>Point Estimate</b>	
22	N/A	
23		
24	<b>Lower Bound</b>	
25	80.62922095	=A31*(0.5+0.5*(1000.01-2*(A35))/(1000.01-A33))
26		
27	<b>Upper Bound</b>	
28	95.97	=A31+0.5*A36+0.5*A40+0.5*A45
29		
30	<b>Data Points</b>	
31	93.36	% of participants in Market Partner rank
32	0	\$ Low Annual Gross income for Market Partner rank
33	21	\$ Median Annual Gross income for Market Partner rank
34	21889	\$ High Annual Gross income for Market Partner rank
35	144	\$ Average Annual Gross income for Market Partner rank
36	3.26	% of participants in Managing Market Partner rank
37	1686	\$ Median Annual Gross income for Managing Market Partner rank
38	127	\$ Low Annual Gross income for Managing Market Partner rank
39	32415	\$ High Annual Gross income for Managing Market Partner rank
40	1.52	% of participants in Associate Market Builder rank



41	3739	\$ Median Annual Gross income for Associate Market Builder rank
42	586	\$ Low Annual Gross income for Associate Market Builder rank
43	34926	\$ High Annual Gross income for Associate Market Builder rank
44	4184	\$ Average Annual Gross income for Associate Market Builder
45	0.44	% of participants in Market Builder rank
46	6020	\$ Median Annual Gross income for Market Builder rank
47	6756	\$ Average Annual Gross income for Market Builder rank
48	908	\$ Low Annual Gross income for Market Builder rank
49	35512	\$ High Annual Gross income for Market Builder rank

	A	B
1	<b>MLM No.</b>	35
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound given
6		
7	<b>Summary</b>	We use as a lower bound the value given for percentage of participants receiving less than \$100. Upper bound cannot be calculated (it cannot be ruled out that an extremely small number of extremely high income participants drive high reported averages for upper quantiles, such that the percent receiving less than \$1000 is so close to 100% that it would be reported as 100% due to rounding), the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11		
12		
13	<b>Point Estimate</b>	
14	N/A	
15		
16	<b>Lower Bound</b>	
17	63	=A23
18		
19	<b>Upper Bound</b>	
20	100	See summary.
21		
22	<b>Data Points</b>	
23	63	% of participants who received less than \$100 in 2021

	A	B
1	<b>MLM No.</b>	37
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual of active, quantiles
6		
7	<b>Summary</b>	Backed out from percent of participants who are inactive and percent of participants who are active but receive less than \$1000. Note that, "For purposes of this statement, an 'Active Consultant' is a Consultant who had at least one other Consultant or Customer in their personally sponsored downline during the calendar year of 2021."
8		
9		
10		
11	<b>Point Estimate</b>	
12	93.7	$=(100-A21)+(A21/100)*(A22+A23+A24+A25+A26)$
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	45	% of participants who are active
22	35	% of active participants with annual commission-based income of \$0 or less
23	27	% of active participants with annual commission-based income of \$0.01-\$100
24	8	% of active participants with annual commission-based income of \$100-\$200
25	10	% of active participants with annual commission-based income of \$200-\$500
26	6	% of active participants with annual commission-based income of \$500-\$1000

	A	B
1	<b>MLM No.</b>	38
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Lower bound assumes that "Product Users" group are all non-participant retail customers, upper bound assumes they are all participants who received no income. Lower and Upper bounds indicate percent of all participants receiving \$999 or less.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	79.06869159	$=(A22+A23*A24/100)/(A22+A23)*100$
16		
17	<b>Upper Bound</b>	
18	95.5207	$=A21+A22+A23*(A24/100)$
19		
20	<b>Data Points</b>	
21	78.6	% of Promoters who are "Product Users" (\$0 income)
22	15.1	% of Promoters who are Product Sharers (had some income, but less than \$500)
23	6.3	% of Promoters who are Business Builders (had income exceeding \$500)
24	28.9	% of Business Builders with income of \$500 - \$999

	A	B
1	<b>MLM No.</b>	39
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	59.9	=A21
16		
17	<b>Upper Bound</b>	
18	100	See Summary
19		
20	<b>Data Points</b>	
21	59.9	% of participants who did not receive any cash commissions

	A	B
1	<b>MLM No.</b>	40
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Backed out from High/Low/Average figures for Associate and Promoter ranks. Excludes ranks above Promoter as precise percentage of participants in these ranks was not given (instead listed as <0.1%), thus numbers favorably assume that all participants in these ranks make >\$1k.
8		Call A the average income of a given rank, and M the maximum income of the rank.
9		
10		
11		
12		
13		<b>When 0&lt;A&lt;1000:</b> To calculate the lowest possible percentage receiving
14		<=\$1000 in this rank, we assume p% of participants receive \$0, and 100-p % of
15		participants receive \$1000.01 (assuming there are sufficiently many participants
16		such that a single participant with \$M income is negligible, i.e., the presence or
17		absence of this participant doesn't change any significant digits of the result).
18		Then solve for $(100-p)\% \cdot 1000.01 = A$ , where the solved p is the minimum %.
19		The maximum we can assume to be 100% for these ranks, as there could be
20		sufficiently many participants in a rank such that if one participant receives
21		$\$M > 1000$ and everyone else receives less than \$1000, the percent receiving less
22	<b>Point Estimate</b>	than \$1000 is so close to 100% that it would be rounded to 100%.
23	N/A	
24		
25	<b>Lower Bound</b>	
26	98.95816922	$=A32 \cdot (1000.01 - A35) / (1000.01 - A33) + A36 \cdot (1000.01 - A39) / (1000.01 - A37)$
27		
28	<b>Upper Bound</b>	
29	99.6	$=A32 + A36$
30		
31	<b>Data Points</b>	
32	98.9	% of participants in Associate rank
33	0	\$ Annual Low for Associates
34	7670	\$ Annual High for Associates
35	2.07	\$ Annual Average for Associates
36	0.7	% of participants in Promoter rank
37	20	\$ Annual Low for Promoters
38	11985	\$ Annual High for Promoters
39	631.96	\$ Annual Average for Promoters

	A	B
1	<b>MLM No.</b>	41
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual income statistics of those paid
6		
7	<b>Summary</b>	This number indicates the percent of participants "who worked on building a business with [the MLM]" and who received <\$1000. Without knowing how many participants didn't "work on building a business" and without knowing what specifically "working on building a business" entails, we can not accurately compute an upper bound, or know whether the number provided is indeed the correct figure, or instead a lower bound for that figure.
8		
9		
10		
11		
12		
13	<b>Point Estimate</b>	
14	90.915	$= (100 - A23) + (A23 / 100) * (100 - A25 - A26 - A27)$
15		
16	<b>Lower Bound</b>	
17	N/A	See Summary
18		
19	<b>Upper Bound</b>	
20	N/A	See Summary
21		
22	<b>Data Points</b>	
23	79	% of active US participants who worked on building a business with the MLM and who received a commission
24		
25	9	% of those who received commissions who received between \$1000-\$5000
26	1.5	% of those who received commissions who received between \$5000-\$10000
27	1	% of those who received commissions who received more than \$10000

	A	B
1	<b>MLM No.</b>	46
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual quantiles
6		
7	<b>Summary</b>	Backed out from median of top 10% and median of top 5%. Lower bound indicates percent of all participants receiving \$960 or less.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	95	=90+10*(A21/100)
16		
17	<b>Upper Bound</b>	
18	99.5	=99+(A22/100)*1
19		
20	<b>Data Points</b>	
21	50	% of the Top 10% receiving more than \$960
22	50	% of top 1% receiving more than \$14,875



	A	B
1	<b>MLM No.</b>	47
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	A lower bound on the percentage receiving less than \$1k is obtained by restricting our sample to participants in the Stylist rank (86% of active participants), and noting that 50% of these are receiving less than or equal to \$107.58. Thus .5*86% are receiving <\$1k. We are then interested in the lower bound percentage of remaining Stylists with income less than \$1k. This is obtained by assuming the bottom 50% are all receiving \$0.48 (the minimum), p% are receiving the median (\$107.58), and (100-p-50)% are receiving \$1000.01. The p that gives us an average of \$371.43 is 14.43. So 50+14.3=64.43% of Stylists, at minimum, are receiving less than \$1k, so 64.43%*86%= 55.41% of all active participants, at minimum, are receiving less than \$1k. Given 95% of all participants are active (with the remainder receiving \$0 and thus less than \$1000), the total percentage receiving less than \$1k is 5+95%*55.41%=57.64%. For upper bound, can assume all Stylists to be under \$1k (or all but 1 individual). For Silver Ambassadors, upper bound is p% receive \$1000 and 100-p% receive \$6216 (maximum), the p that maxes p*1000+(1-p)*6216=3609.11 is 49.98%, so upper bound is 5%+95%(86%+6%*49.98%)=89.55%.
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	<b>Point Estimate</b>	
23	N/A	
24		
25	<b>Lower Bound</b>	
26	57.6427294	=A32+(100-A32)*((A33/100)*(0.5+0.5*(1000.01-(2*A37-A34))/(1000.01-A36)))
27		
28	<b>Upper Bound</b>	
29	89.548787	=A32+(100-A32)*(A33/100+A38/100*((A40-A42)/(A40-1000)))
30		
31	<b>Data Points</b>	
32	5	% U.S. participants who were inactive and so did not receive any commissions
33	86	% of active participants at Stylist rank
34	0.48	\$ Low Annual Gross income for Stylist rank
35	2482.8	\$ High Annual Gross income for Stylist rank
36	107.58	\$ Median Annual Gross income for Stylist rank
37	371.43	\$ Average Annual Gross income for Stylist rank
38	6	% of active participants at Silver Ambassador rank
39	890.88	\$ Low Annual Gross income for Silver Ambassador rank
40	6216	\$ High Annual Gross income for Silver Ambassador rank

41	3600.54	\$ Median Annual Gross income for Silver Ambassador rank
42	3609.11	\$ Average Annual Gross income for Silver Ambassador rank
43	1305.96	\$ Low Annual Gross income for all other ranks (everything except Stylist and Silver Ambassador)

	A	B
1	<b>MLM No.</b>	48
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual income tiers
6		
7	<b>Summary</b>	Low established from claim that bottom 25% of participants receive \$0 on average; high established from claim that middle 50% receive a maximum of \$5191, a low of \$0, and average of \$2367. Maximum proportion of middle 50% receiving less than \$1000 given by assuming p% receive \$1000 and (1-p)% receive maximum (\$5191).
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	25	Derived from A21
16		
17	<b>Upper Bound</b>	
18	58.69124314	$=25+50*(A23-A24)/(A23-1000)$
19		
20	<b>Data Points</b>	
21	0	\$ Bottom 25% High
22	0	\$ Middle 50% Low
23	5191	\$ Middle 50% High
24	2367	\$ Middle 50% Aaverage

	A	B
1	<b>MLM No.</b>	50
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Those in "Distributor - Discount Buyer" group are treated as participants with income <\$1k.
8		
9		For "Distributor - Earner" group, to calculate the lowest possible percentage receiving <=\$1000, we assume p% of participants receive \$0, and 100-p % of participants receive \$1000.01. Then solve for $(100-p)\% * 1000.01 = A$ , where the solved p is the minimum %.
10		
11		
12		The maximum we can assume to be 100% because it could be that all participants in this group receive the average income (\$157).
13		
14		For the Distributor – Business Builders group, the lowest possible percentage is 0%, while the highest possible percentage cannot be calculated (it cannot be ruled out that an extremely small number of extremely high income participants drive high reported averages for "Distributor - Business Builders" group, and everyone else receives less than \$1000, such that the percent receiving less than \$1000 is so close to 100% that it would be rounded to 100%).The asterisk here indicates that the upper bound is non-inclusive of 100.
15		
16		
17		
18		
19		
20		
21	<b>Point Estimate</b>	
22	N/A	
23		
24	<b>Lower Bound</b>	
25	86.74673	$=A31+A32*((1000.01-A33)/(1000.01))$
26		
27	<b>Upper Bound</b>	
28	100	See Summary
29		
30	<b>Data Points</b>	
31	72.5	% who are in "Distributor - Discount Buyer" group
32	16.9	% who are in "Distributor - Earner" group
33	157	\$ Average income of those in "Distributor - Earner" group

	A	B
1	<b>MLM No.</b>	51
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Backed out from percent receiving no income; percent, high, low, and median income of ranks or subdivisions. Lower bound uses median of \$420 (less than \$1000) of Paid Consultants and percent of Consultants receiving no income. So lower bound indicates percent of all participants receiving \$420 or less. Upper bound uses percent of Consultants receiving no income, as well as 100% of Paid Consultant subdivisions with medians < \$1000 (as the maximum could be 1 person out of a very large number, such that if one participant receives the high income (>\$1000) and everyone else receives less than \$1000, the percent receiving less than \$1000 would be so close to 100% that it would be rounded to 100%) and half of Paid Consultant subdivisions with medians >\$1000 (since half of the subdivision could be less than \$1000).
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	<b>Point Estimate</b>	
19	N/A	
20		
21	<b>Lower Bound</b>	
22	78	=A28+0.5*(100-A28)
23		
24	<b>Upper Bound</b>	
25	93.5804	=A28+(100-A28)*(A30+A32+0.5*A34+0.5*A37+A40+0.5*A42+0.5*A44)/100
26		
27	<b>Data Points</b>	
28	56	% of Consultants receiving no income from the MLM
29	420	\$ Median income of Paid Consultants
30	53	% of Paid Consultants who are Product Ambassadors with less than 5 customers
31	141	\$ Median income of paid Product Ambassadors with less than 5 customers
32	13	% of Paid Consultants who are Product Ambassadors with 5 to 9 customers
33	629	\$ Median income of paid Product Ambassadors with 5 to 9 customers
34	5	% of Paid Consultants who are Product Ambassadors with 10 to 20 customers
35	130	\$ Low income of paid Product Ambassadors with 10 to 20 customers
36	1701	\$ Median income of paid Product Ambassadors with 10 to 20 customers
37	1	% of Paid Consultants who are Product Ambassadors with 20+ customers
38	845	\$ Low income of paid Product Ambassadors with 20+ customers
39	4376	\$ Median income of paid Product Ambassadors with 20+ customers
40	11.32	% of Paid Consultants at C* level

41	472	\$ Median income of C* Paid Consultants
42	3.96	% of Paid Consultants at C level
43	1572	\$ Median income of C Paid Consultants
44	6.22	% of Paid Consultants at EC level
45	4695	\$ Median income of EC Paid Consultants
46	936	\$ Low income of EC Paid Consultants

	A	B
1	<b>MLM No.</b>	53
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Lower bound given by \$0 figure. Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	52	=A21
16		
17	<b>Upper Bound</b>	
18	100	See Summary
19		
20	<b>Data Points</b>	
21	52	% of participants who purchased from the MLM but did not receive a commission

	A	B
1	<b>MLM No.</b>	54
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Let A be the average income of a given rank, and M be the maximum income of the rank.
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	<b>Point Estimate</b>	
28	N/A	
29		
30	<b>Lower Bound</b>	
31	60.17419866	$=A37+A39*((1000.01-A41)/1000.01)+A43*((1000.01-A45)/1000.01)$
32		
33	<b>Upper Bound</b>	
34	97.37118832	$=A37+A39+A43+A47*((A48-A49)/(A48-1000))+A50*((A51-A52)/(A51-1000))+A53*((A54-A55)/(A54-1000))$
35		
36	<b>Data Points</b>	
37	39.1	% of participants at Consultant rank
38	518.16	\$ High Annual Income for Consultant rank
39	16.18	% of participants at Senior Consultant rank
40	0	\$ Low Annual Income for Senior Consultant rank



41	203.16	\$ Average Annual Income for Senior Consultant rank
42	1273.39	\$ High Annual Income for Senior Consultant rank
43	29.69	% of participants at Executive Consultant rank
44	0	\$ Low Annual Income for Executive Consultant rank
45	724.45	\$ Average Annual Income for Executive Consultant rank
46	8911.52	\$ High Annual Income for Executive Consultant rank
47	7.6	% of participants at Associate Manager rank
48	13351.34	\$ High Annual Income for Associate Manager rank
49	1490.49	\$ Average Annual Income for Associate Manager rank
50	4.35	% of participants at Senior Manager rank
51	16012.54	\$ High Annual Income for Senior Manager rank
52	2780.64	\$ Average Annual Income for Senior Manager rank
53	1.75	% of participants at Executive Manager rank
54	28222.14	\$ High Annual Income for Executive Manager rank
55	8482.98	\$ Average Annual Income for Executive Manager rank

	A	B
1	<b>MLM No.</b>	57
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Lower bound given by \$0 figure. Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	73	=A21
16		
17	<b>Upper Bound</b>	
18	100	See Summary
19		
20	<b>Data Points</b>	
21	73	% of participants receiving no income (see \$0 explanation for MLM No. 57)

	A	B
1	<b>MLM No.</b>	58
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Lower bound given by \$0 figure. Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	69.61	=A21
16		
17	<b>Upper Bound</b>	
18	100	See Summary
19		
20	<b>Data Points</b>	
21	69.61	% of participants receiving no income

	A	B
1	<b>MLM No.</b>	60
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual income tiers
6		
7	<b>Summary</b>	Backed out from percent not receiving income (from \$0 calculation), and percent of those receiving income who received \$999 or less. Note this number does not include \$999.01-\$1000 range.
8		
9		
10		
11	<b>Point Estimate</b>	
12	88.94979079	$=(100-A24)*(A21+A22+A23)/100+A24$
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	25	% of Active Consultants with income of \$0-\$99
22	44	% of Active Consultants with income of \$100-\$499
23	12	% of Active Consultants with income of \$500-\$999
24	41.84100418	% of participants not receiving income (see \$0 explanation for MLM No. 60)

	A	B
1	<b>MLM No.</b>	61
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Backed out from percent receiving no income; percent, low, high, and average income by rank. Call A the average income of a given rank, and M the maximum income of the rank.
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28	<b>Point Estimate</b>	
29	N/A	
30		
31	<b>Lower Bound</b>	
32	54.60299109	$=(100-A38)+A38*(A39/100)*((1000.01-A41)/(1000.01-A40))$
33		
34	<b>Upper Bound</b>	
35	99.47624179	$=(100-A38)+A38*(A39/100+A42*(A44-A43)/(A44-1000)/100+A45*(A47-A46)/(A47-1000)/100+A48*(A50-A49)/(A50-1000)/100+A51*(A53-A52)/(A53-1000)/100)$
36		
37	<b>Data Points</b>	
38	74.2	% of participants receiving income
39	75.5	% of participants receiving income who are in Coach rank

40	10	\$ Low Earnings for Coach rank
41	491	\$ Average Earnings for Coach rank
42	20.2	% of participants receiving income who are in Emerald rank
43	3283	\$ Average Earnings for Emerald rank
44	138483	\$ High Earnings for Emerald rank
45	0.7	% of participants receiving income who are in Ruby rank
46	12670	\$ Average Earnings for Ruby rank
47	121326	\$ High Earnings for Ruby rank
48	2.3	% of participants receiving income who are in Diamond rank
49	18289	\$ Average Earnings for Diamond rank
50	161072	\$ High Earnings for Diamond rank
51	1.3	% of participants receiving income who are in Star Diamond rank
52	119475	\$ Average Earnings for Star Diamond rank
53	2846299	\$ High Earnings for Star Diamond rank

	A	B
1	<b>MLM No.</b>	62
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Income quantiles given
6		
7	<b>Summary</b>	Note this number does not include \$999.01-\$1000 range.
8		
9		
10		
11	<b>Point Estimate</b>	
12	87.42	=A21+A22+A23
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	25.13	% of participants with Yearly Income of "Less than \$1"
22	19.24	% of participants with Yearly Income of \$1-\$99
23	43.05	% of participants with Yearly Income of \$100-\$999

	A	B
1	<b>MLM No.</b>	64
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual net profit tiers
6		
7	<b>Summary</b>	Figures listed in table are "Net Profits," which text states means compensation minus non-commissionable purchases. The average non-commissionable purchases in a year is \$30, so the Net Profit figures given are likely close to gross income. Active is defined as all participants who made at least 1 purchase in the year.
8		
9		
10		
11	<b>Point Estimate</b>	
12	85.3	=A21+A22+A23+A24
13		
14	<b>Lower Bound</b>	
15	N/A	
16		
17	<b>Upper Bound</b>	
18	N/A	
19		
20	<b>Data Points</b>	
21	31.3	% of active participants with Net Profits of "Less than \$0"
22	38.1	% of active participants with Net Profits of \$0 to \$250
23	8.6	% of active participants with Net Profits of \$251 to \$500
24	7.3	% of active participants with Net Profits of \$501 to \$1000



	A	B
1	<b>MLM No.</b>	65
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank and income tiers
6		
7	<b>Summary</b>	Text describes participants as "Associates"; it includes information about a group called "Customers" and states this group includes "all non-participant, retail customers as well as Associates that have been converted to customer status based on lack of sales activity." Lower bound assumes that all "Customers" are non-participant retail customers, whereas upper bound assumes they are all participants with income of \$1,000 or less. Lower and Upper bounds indicate percent of all participants receiving \$999 or less.
8		
9		
10		
11		
12		
13		
14	<b>Point Estimate</b>	
15	N/A	
16		
17	<b>Lower Bound</b>	
18	69.15	=A25+A26
19		
20	<b>Upper Bound</b>	
21	90.118745	=A18*A24/100 + (100-A24)
22		
23	<b>Data Points</b>	
24	32.03	% of Associates who are Business Builders
25	49.46	% of Business Builders receiving between \$1-\$999
26	19.69	% of Business Builders receiving \$0

	A	B
1	<b>MLM No.</b>	67
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Lower bound from \$0 figure
6		
7	<b>Summary</b>	Lower bound given by \$0 figure. Upper bound cannot be calculated, the asterisk here indicates that the upper bound is non-inclusive of 100.
8		
9		
10		
11	<b>Point Estimate</b>	
12	N/A	
13		
14	<b>Lower Bound</b>	
15	75.99	=A21
16		
17	<b>Upper Bound</b>	
18	100	See Summary
19		
20	<b>Data Points</b>	
21	75.99	% of participants receiving no income

	A	B
1	<b>MLM No.</b>	68
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Lower bound includes all participants in Associate rank, 50% of those in Star rank (given median income is \$233), and calculates minimal p% of Stars with income greater or equal to median and less than \$1000 by assuming 50% of Stars receive no income, p% receive \$233, and 100-50-p% receive \$1000.01, and solving for the p that gives an average of \$293. Upper bound uses all Associates and all Stars (as there could be sufficiently many Stars such that if one receives the high income (\$2723) and everyone else receives less than \$1000, the percent receiving less than \$1000 is so close to 100% that it would be rounded to 100%), and half of Senior Stars and Executives (given that the medians for these ranks exceed \$1000, the those receiving less than \$1000 cannot be more than 50%).
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	<b>Point Estimate</b>	
18	N/A	
19		
20	<b>Lower Bound</b>	
21	83.3471415	=A27+A29*(0.5+0.5*(1000.01-2*(A31)))/(1000.01-A30))
22		
23	<b>Upper Bound</b>	
24	93.95	=A27+A29+0.5*A34+0.5*A39
25		
26	<b>Data Points</b>	
27	64.1	% of participants at Associate rank
28	599	\$ Highest Annual Income for Associate rank
29	25	% of participants at Star rank
30	233	\$ Median Annual Income for Star rank
31	293	\$ Average Annual Income for Star rank
32	0	\$ Lowest Annual Income for Star rank
33	2723	\$ Highest Annual Income for Star rank
34	6.9	% of participants at Senior Star rank
35	0	\$ Lowest Annual Income for Senior Star rank
36	64608	\$ Highest Annual Income for Senior Star rank
37	1220	\$ Median Annual Income for Senior Star rank
38	1427	\$ Average Annual Income for Senior Star rank
39	2.8	% of participants at Executive rank
40	178	\$ Lowest Annual Income for Executive rank

---

41	88897	\$ Highest Annual Income for Executive rank
42	3583	\$ Average Annual Income for Executive rank
43	3026	\$ Median Annual Income for Executive rank

	A	B
1	<b>MLM No.</b>	69
2		
3	<b>Statistic</b>	% receiving \$1,000 or less
4		
5	<b>Type</b>	Annual per rank
6		
7	<b>Summary</b>	Lower bound assumes that all "cancelled" participants (3.54% of total) received income greater than \$1000 while upper bound assumes all canceled members received less than \$1000 (this is in addition to the usual strategies for determining upper and lower bounds, set out below).
8		Call A the average income of a given rank, and M the maximum income of the rank.
9		<b>When <math>0 &lt; A &lt; 1000</math>:</b> To calculate the lowest possible percentage receiving $\leq \$1000$ in the rank, we assume p% of participants received no income, and 100-p % of participants received \$1000.01 (assuming there are sufficiently many participants such that a single participant with \$M income is negligible, i.e., the presence or absence of this participant doesn't change any significant digits of the result). Then solve for $(100-p)\% * 1000.01 = A$ , where the solved p is the minimum %.
10		The maximum we can assume to be 100%, as there could be sufficiently many participants in the rank such that if one participant receives $\$M > 1000$ and everyone else receives less than \$1000, the percent receiving less than \$1000 is so close to 100% that it would be rounded to 100%.
11		<b>When <math>A &gt; 1000</math>:</b> The lowest possible percentage receiving $\leq \$1000$ can be assumed to be 0, since there could potentially be just 1 person receiving the minimum, and everybody else receiving more than \$1000 (assuming there are sufficiently many participants such that a single participant with the minimum income is negligible). To calculate the highest possible percent receiving $\leq \$1000$ in this category, we assume p% of participants receive \$1000, and (100-p)% of participants receive M (again assuming sufficiently many participants exist that a single participant with no income is negligible). Then solve for $(100-p)\% * M + p\% * 1000 = A$ , where the solved p is the maximum %.
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30	<b>Point Estimate</b>	
31	N/A	
32		
33	<b>Lower Bound</b>	
34	89.76171738	$= A40 + A41 * ((1000.01 - A42) / 1000.01) + A44 * ((1000.01 - A45) / 1000.01) + A47 * ((1000.01 - A48) / 1000.01)$
35		
36	<b>Upper Bound</b>	
37	99.78354216	$= A40 + A41 + A44 + A47 + A50 * (A51 - A52) / (A51 - 1000) + A54 * (A55 - A56) / (A55 - 1000) + A58 * (A59 - A60) / (A59 - 1000) + A62$
38		
39	<b>Data Points</b>	

40	12.39	% of participants in Inactive rank (receiving no income)
41	69.8	% of participants in Active Ambassador Rank
42	7.7	\$ Average Annual Income for Active Ambassador rank
43	0	\$ Low Annual Income for Active Ambassador rank
44	7.78	% of participants in Associate Ambassador rank
45	161.31	\$ Average Annual Income for Associate Ambassador rank
46	0	\$ Low Annual Income for Associate Ambassador rank
47	3.21	% of participants in Community Ambassador rank
48	506.5	\$ Average Annual Income for Community Ambassador rank
49	0	\$ Low Annual Income for Community Ambassador rank
50	2.26	% of participants in City Ambassador rank
51	48609.28	\$ High Annual Income for City Ambassador rank
52	1624.35	\$ Average Annual Income for City Ambassador rank
53	0	\$ Low Annual Income for City Ambassador rank
54	0.77	% of participants in Area Ambassador rank
55	69698.06	\$ High Annual Income for Area Ambassador rank
56	6437.54	\$ Average Annual Income for Area Ambassador rank
57	0	\$ Low Annual Income for Area Ambassador rank
58	0.15	% of participants in Regional Ambassador rank
59	130132.4	\$ High Annual Income for Regional Ambassador rank
60	23274.15	\$ Average Annual Income for Regional Ambassador rank
61	135	\$ Low Annual Income for Regional Ambassador rank
62	3.54	% of participants in Cancelled rank



**Federal Trade Commission**  
ftc.gov