

# The Makings of a MoonStruck Investment

*By Bill Harper*

I was in Raleigh, North Carolina at my son's army boot-camp graduation in late 1993 when my office informed me that there was a message from Charlie, an ex-partner of mine.

"Whatever could Charlie want from me now?" I thought. Although we had patched things up a bit, he still owed me the \$12,500 he and his father had cheated me out of some ten years earlier. He always had acknowledged the debt, but had done nothing about it. He had been busy running from creditors and frustrated investors due to his apartment house debacle. He had actually left the state for a couple of years until things cooled down. In all, by investing with Charlie, I had lost more than \$132,500 in the cataclysm of the Colorado real estate market.

I had chalked off the \$120,000 as a bad investment, but the \$12,500 was clearly a case of Charlie and his father taking money that did not belong to them. It belonged to me; they sold an apartment house that I had an interest in and pocketed all the proceeds of the sale instead of giving me at least a return *of* my investment, let alone a return *on* my investment.

While I had hard feelings for Charlie initially, when he had returned to Colorado several years later I tried to be forgiving. I had even taken him to breakfast a couple of times. My primary intent had been to learn from him about real estate, but also to remind him that although he and his father had declared bankruptcy, I felt that the \$12,500 was still a debt owed to me. He had acknowledged his wrong doing, and promised to repay me at sometime in the future. Our association since then, neither strained nor warm, had been almost nil.

When I returned his call, he told me he was aware of an investment that I might be interested in and asked if I wanted to review it. Always looking for good investments, but also leery, I requested the investment documents be overnighted to me. I also requested a brief overview of the investment by phone, so as to contemplate it before receiving the documents.

## **"A Great Way to Make Money"**

"It's a great way to make some real money," Charlie explained. As he continued, it did sound like something I would really be interested in, though the cost to get into the deal would be in the low six figures.

Perhaps I should explain that I had that year harvested a business which left me with a lifetime annual income which was more than sufficient for my family's needs. My living expenses were minimal, so while I didn't need to find investments to make more money, I felt a need to stay busy, plus most aspects of business have always fascinated me.

As part of the sale of my last business, I had some housecleaning to do with the accounts

receivable, and there were some lease payments to make. Nevertheless, I really was starting to feel hints of boredom, so I was on the “make” for new business adventures.

Charlie explained that there was one other person involved with the deal: Jack, another old acquaintance, who had been an associate of Charlie’s during his real estate kingdom-building era. Jack was a unique sort of fellow who was extremely successful at one thing— self promotion. You know the type. He had pictures of himself with well-known people, even the President of the United States, George Bush during his vice-presidency.

Jack also was into making motivational tapes. He was as maverick as they come, but he did have a nice image and was somewhat successful, however as many do, he had the outward trappings of success, but seemed to lack the financial substance.

Some of our mutual friends had said that Jack had told them he was a millionaire, but I had my doubts. Most of his time went into a speaking career, and while he called himself a world famous trainer, I was hard-pressed to see any evidence of that. It seemed most of his money had come from fund raising, sort of as a promoter of deals, and lately as a hawker of multilevel marketing (MLM) products, which was an industry I knew little about, except that I had absolutely no interest in it.

When I received the Federal Express packet the next day from Charlie, I was both turned on and turned off. What was for sale was half of an MLM distributorship marketing health supplements. It had a regular monthly income stream that at the best of times had been averaging about \$60,000 a month, with a high of \$85,000 income in one month. That’s the good news. The bad news was that it was now averaging \$35,000 a month. It was a Canadian-based company’s MLM distributorship owned by a woman, Bridget, and her new husband. In the midst of wedding activities and plans for the rest of their lives, the couple decided to move to southern Colorado and sell their distributorship.

The distributorship, let’s call it MoonStruck, had been started seven years earlier by Bridget and her earlier husband, who had since died. The “business” had not been worked for the last two years while Bridget was in mourning and being romanced by her new husband, who knew little about the business but a lot about spending money and building a very expensive new home in southern Colorado.

In order to build the new home, and retire from MLM, Bridget and her husband decided to sell their distributorship and wanted \$175,000 down and then one-half of the income from the cash flow until a yet-to-be-agreed price was paid. They had confidence in Jack and wanted him to buy the distributorship. They had heard him speak and had been to his office and seen his picture of President Bush. Being impressed, they were convinced that under Jack’s leadership, this distributorship would become what it had once been.

## **The Proposed Deal**

Jack had asked Charlie to find interested investors who might put up the down-payment. Jack would be the owner of the new distributorship and would receive the check each month from the MLM company. He would then write a check to Bridget for half of the amount he received; the remaining half would be divided among Jack, Charlie, and the investor in the following manner: Jack would get 45% for working the business. Charlie would receive 10% of the income for bringing the investor to the deal, and the investor would receive 45% for putting up all the money.

Charlie said both he and Jack were each talking to several investors so I had better hurry if I wanted any of this “because a deal this good won’t last long.”

As I played with the figures and what my anticipated return could be, I wondered just how I should proceed.

I decided that I would request a meeting with Charlie and Jack to see how real this deal was. I figured it wouldn’t hurt to look into it and see if the cash flow figures could be substantiated. I also wanted to see if the MLM company itself was going anywhere, and what kind of return I could really expect.

When I returned to town on Monday, I called Charlie to see when we could get together. He said he would talk with Jack and call me. By Thursday afternoon, I hadn’t heard back from Charlie, so I decided to call on Friday and see what had happened to this hot deal.

Charlie explained that Jack and he had talked and that Jack had found several investors that were excited about the deal, so it appeared that they would not need me after all. “Let’s have lunch someday,” Charlie concluded, just before hanging up.

## **Jack Takes Charlie Out of Deal**

The following Thursday, I still had not yet heard from anyone, so I called Charlie back and asked about what was happening. He replied, “I don’t know; I have left several messages for Jack but he hasn’t called me back. I don’t know why I haven’t heard from him.”

A week later, Jack called me directly and said that all but one of the other potential investors had gone away, and that he would like to visit with me about the deal. I said okay, but then requested backup documents to review and ensure that the deal was as represented. I was especially interested in seeing proof of the income stream.

I asked why I hadn’t heard directly from Charlie, and Jack said Charlie was making some demands on him. He said Charlie wanted a bigger piece of the income stream, so Jack wasn’t going to use him as a finder of money anymore. “Plus, I know you as well as Charlie does, so let’s work it out between us and I will keep Charlie informed.” I figured that was between Charlie and Jack.

## **Doing My Homework**

I was interested in looking at the deal to see how profitable it could be. I had the needed money for the down payment, but I wasn't ready to do anything until I made a thorough investigation of how firm the deal was between Jack and Bridget, how much money we were really talking about, and how solid the MLM company was. I also wanted to talk with my CPA, Larry, who I bounce all deals off to get his input and his prospective. I had made deals in the past without his "blessing," but not without his insight, as he had been my adviser for some 21 years.

After looking over the material I received from Jack, my interest grew substantially. I had copies of the checks and a monthly record of each check received for seven years, which amounted to nearly \$3 million. Larry, my CPA, said it sounded good, but agreed it would take more investigation. He requested copies of everything, including a copy of the sketchy contract between Bridget and Jack.

Jack and I scheduled a trip to Canada for the following Thursday so I could meet with the MLM company president, get some idea of the present sales of the company, get some feel about its future, and learn what the company president thought of Bridget selling her business to Jack and myself.

After we had scheduled the trip, but before we went to Canada, Jack and I met. I wanted to know what Jack could really bring to the table. Would this income stream continue to slowly drop? How hard was he willing to work? And would he be effective? I also didn't feel comfortable about him getting the money and sending out checks to the rest of us. I had never really been able to get a handle on him, plus I was leery of partnerships anyway, after my decade-old experience with Charlie and a couple of other partners since. As part of my due diligence, I also requested copies of Jack's income tax returns for the past two years.

Jack said we would work all that out on the trip to Canada. I must admit I was getting excited about the possibilities of this income stream, but Jack continued telling me that he was still pursuing other potential investors for the deal.

### **"I'm Going to Get a Piece of This Deal"**

The next morning Charlie called and said he heard I had been meeting with Jack. "Are you guys trying to go around me?" he asked. "I won't stand for it; if it wasn't for me, you guys wouldn't even be meeting together. I am going to get a piece of this deal one way or the other," he threatened.

"What was that all about?" I asked myself after I had hung up. Jack and he had some kind of agreement among themselves. I wasn't party to that. But one thing was for sure: I didn't need the hassle to start, especially *before* the deal was even struck.

## **More Homework**

As Jack and I got on the plane to head for Canada, he handed me his tax returns; he had reported about \$50,000 in income each year for the last two years. Though \$50,000 might be a comfortable living, he said he wanted to do a lot better.

I had given Jack a letter of terms under which I would invest in the MoonStruck distributorship. It included a paragraph that clarified I would have no part of any problem between him and Charlie. I also made clear that any money for Charlie would need to come from Jack's side of the deal, if there was one.

Jack had already worked out a plan with Bridget; she would receive one-half of the income stream that resulted from the royalty override. Our income would come from the remaining 50% of the royalty override, new business bonuses that Jack would earn for recruiting new people, and another type of bonus, called the leadership bonus. Jack estimated the leadership bonus could equal \$400 a month or so, but that was so small that I said he could keep all of that. At this point, the only income to me worth pursuing was the royalty override.

## **Due Diligence in Canada**

Jack had a speaking engagement in Florida, so he could only be at the Canadian company headquarters for Thursday evening; we met with the president first thing, and it went well. The president of the company was really smooth, almost too smooth. He had attended some management training at Harvard and had been elected president of a six-month management seminar at Harvard. He spoke richly about the future of the company as well as the value of the MoonStruck distributorship.

He did admit that since the founder of the Canadian company (not to be confused with Bridget's husband) had died, the founder's son, the president, and a third partner had had some difficulties getting along, but their differences were all ironed out and things were going great now.

One thing he cautioned Jack and I about was that Bridget often would promote other MLM companies to many of the other distributors in the company. "We will not tolerate that, and neither should you," he cautioned Jack and me. I assured him that I wouldn't stand for that, especially if I put in \$175,000 cash. I wouldn't have Bridget doing any of that stuff. "We'll put a non-compete in the agreement that will cut her off at the knees if she even hints at that," I explained.

Jack and I agreed to work hard on getting the deal structured better. But tomorrow would bring even a bigger surprise as I visited Bijan, the operations manager, while Jack left for Florida.

## Questions for Case A

Should Bill pursue the deal with Jack? Why, why not?

What about Charlie? How should he be “handled?” What is Bill’s obligation to him since Charlie contacted him first?

What kind of a deal as far as percentages of ownership would you propose?

What would you be concerned with about with the deal?

# CASE B

## The Leadership Bonus

“I have done some work analyzing your down-line,” Bijan stated. “I think I have some news you will like,” he said. Bijan explained that with a little extra recruiting and motivation each month that the income could be increased by an estimated \$16,000 a month in the form of a leadership bonus. Bridget knew about the leadership bonus but never pursued it for some reason, and Jack’s deal with Bridget clearly excluded splitting any income with her except for the royalty override.

This leadership bonus was the item that Jack had said would make about an additional \$400 a month. Based on the \$400 a month figure, I had stated in my term letter to Jack that we would only split the royalty bonus and he could have all other bonuses, since he had assured me the amounts would be insignificant

Obviously, we would have a lot to talk about upon our return to Denver.

Upon my return to the office on Monday, I found an urgent message from Jack. When I reached him on the phone, he said Charlie was there in his office and they had been arguing with one another for three hours. “Charlie isn’t going to go away. I have settled our problem by giving him my old MLM dealership, but he still wants 2.5% of your side of the deal. I think you should give it to him,” Jack counseled. “Otherwise, Charlie said he would kill the deal.” When I asked Jack how he could do that, he said he didn’t know and that he didn’t trust Charlie anymore.

“I’ll be right over,” I said, already on my feet and heading for the door.

But what was I going to say to Charlie, and what about the leadership bonus?

I knew one thing: I didn’t want Charlie in the deal. I also didn’t want to pay him what could be hundreds or thousands of dollars every month for doing nothing. To me, *Jack* had to fulfill any obligations with Charlie. After all, why should I pay \$175,000 plus give Charlie money every month, especially when he owed me \$12,500?

Surely, the next few hours would be interesting, to say the least. Where should I start when I got to Jack’s office?

## I Asked Jack to Leave the Room

After talking with the two men for about thirty minutes, I asked Jack to let Charlie and I talk for a few minutes alone since we really hadn’t achieved anything in solving the problem. Jack and Charlie had worked out their deal, and so both men were saying that if I didn’t budge, the deal would falter, and they would need to find someone else. “It would be a shame to let someone else get this deal instead of you,” they said. I suspected they had no other investors who were ready. My position was that it would be a shame for the three of us to miss out on it since I was sure that they couldn’t

do it without me, or should I say, my money.

### **“I Thought You Were a Christian”**

After Jack left the room, I spoke quickly and firmly. I reminded Charlie that he and his father owed me \$12,500 from dealing dishonestly with me. I wasn't going to be paying him additional money when he still owed me money he had cheated me out of. Charlie sputtered for a moment or two then said, “So this is what it's all about! You had this in mind all the time? You are not at all forgiving! I need the money from this deal to pay off my service station. Without it, I may lose my station and livelihood, and now you are trying to get something more from me. You practice the law of Moses don't you: an 'eye for an eye'. I thought you were a Christian. You have a moral obligation to take care of me in this deal. You were pretty sharp to make it Jack's and my problem, but it is also your problem.”

I reminded Charlie that I never asked him to find deals for me. Furthermore, I reminded him that he had already got Jack to give him his MLM dealership that could result in up to \$2,000 a month if he worked at it. I told him that I was prepared to give him a letter fully forgiving him legally and morally for the \$12,500 debt, but only if he was willing to give me immunity from any financial obligation, imagined or otherwise on this deal. He told me he would probably go along with this, but that he wasn't happy.

I asked Jack to come back in the room. “I think we have it worked out, but the rest is up to you. Call me when you want to talk again,” I said and left the room immediately.

### **Closing the Deal**

As I approached the end of the day, letter in hand from Charlie, I wondered what kind of deal I should propose to Jack. What should I do about the so-called leadership bonus? How could I structure the deal so Jack wouldn't get the check personally from the company? I had found from past experience that deals often change after they are originally laid out. The person who holds the money can often have an advantage, so I would never allow that to happen again with Jack or anyone else.

Jack and I worked out our agreement together. One of the creative operational ideas we came up with was for the Canadian company to send the check each month to a CPA, who would then write the checks according to written escrow instructions he received from Jack and I. The first check arrived at the escrow officer's place of business and was quickly dispatched to all entitled parties. For six months, everything went well. Jack, who was doing a fine job, had earned us a leadership bonus every month. Bridget seemed pleased, or at least we didn't hear anything from her.

The final arrangement made between Jack and I after Bridget's dismissal is most easily explained by quoting the actual closing documents:

*Distribution of income goes into an irrevocable escrow account: 50% of the royalty override income stream goes to Seller [Bridget], then:*

- a. \$2,500 goes to operations account.
- b. \$7,300 or 50% of remaining amount, whichever is greater, goes to the Investor [Bill].
- c. The rest of the income then goes to Buyer [Jack]. . . .

*Subject to a \$2,500 cap allowance from distributor going into an operating account with its expenditures being verified by monthly review at meeting and quarterly detailed review. Expense deductions of \$2,500 shared with Investor and Buyer at a 50/50 ratio. Any other expenses are the responsibility of Buyer. \$2,500 paid unless gross income is less than \$25,000.*

*Investor will be granted \$7,300 monthly, no matter total dollars of income stream. Guarantee of \$7,300 monthly to be out of royalty income check only after payment to Seller.*

*Buyer holds Investor harmless and indemnifies any claims from any third party for any right or claim to any commission, brokerage fee, expenses or other compensation relative to this Agreement of the transactions contemplated hereby (other than for legal services.)*

*Investor participates in leadership bonus only after the following conditions have been met:*

- a. *Both Investor and Buyer have received \$7,300 for that month, Investor from royalty override earned that month and Buyer from royalty override and then leadership bonus that month.*
- b. *Buyer has received the first \$4,000 that month from leadership bonus.*
- c. *Then Buyer and Seller split any excess of leadership bonus on a 50/50 basis.*

### **Bridget's Big Mistake**

However, out of the blue, six months after my investment, there came a faxed letter from the MLM Canadian company headquarters informing us that Bridget had tried to recruit several distributors into another MLM corporation. They told us that if she did it again we would lose our distributorship: "You must solve this problem. Next time there will be no warning. The income will immediately stop," the letter stated. Jack and I were dumbfounded that Bridget would be so careless as to endanger our income, but even more importantly, her income.

In the next two days, we received copies from one of our distributors of an application form for another company that Bridget had overnighted to him. She also sent him a recruiting tape. The distributor who had been approached had been sharp enough to make a copy of the UPS tag that clearly showed she had in fact been the sender of the merchandise. Upon our request and instructions, he had also sent along a notarized letter outlining what she had said to him and that the materials enclosed were, in fact, received in the UPS packet sent from Bridget.

Two other cases of her solicitation also surfaced in the next few days. I had little trouble

deciding on the method to handle the infraction, but Jack seemed hesitant to do anything. As is my style, we went back to the original documents and reviewed the agreed-upon penalty, which was to notify Bridget by requested mail and send her \$100 to buy her interest out. While the penalty appeared harsh, if we didn't eliminate her from ownership, the entire income stream was in jeopardy. So we sent her the \$100 and told her she had broken her non compete.

Soon, three and four calls were coming into Jack's office every day now as Bridget called upon her friends in the MLM company. Many called Jack unfair. Others called him a thief. Because Jack had not wanted others in the company to know of my participation, I was immune to the calls and threats. Occasionally Jack shared some of the cards and letters so that I would be aware of the happenings.

Clearly, Bridget was mounting a counter attack to force us to change our stance, which was that she had signed and subsequently violated a non-compete agreement. We had explained, at the original time of the signing of the agreement in a meeting with Jack, myself, Bridget, and her husband, the consequences of such a recruiting act. Regardless, she had committed such an act and I was not about to endanger the loss of the \$175,000 and further income.

Jack at one time worked out a compromise with her and asked me my thoughts. I said that I could accept some aspects of it, but that the compromise would need to be worked out and fine tuned with our attorneys. Before Jack had been able to present the acceptable agreement, Bridget had withdrawn her earlier compromise.

Two other times Jack approached me about softening our stance. The last time, I replied, "Jack, work out any deal you want with Bridget with your share of the money. You can send her as much or as little as you want, but don't approach me again about this matter." He never did. As far as I know, he never sent Bridget another dime.

### **Questions for Case B**

What would you do about the concern with Bridget "recruiting" distributors for other MLM opportunities. The company agreement clearly forbids that. Why is that so crucial?

What is "right" to do in this situation about Bridget?

What is the smart business thing to do?

What does your team suggest Bill and Jack do?

Is the \$175,000 in danger?

# CASE C

## **Bridget Violates Her Non Compete**

By the time Bridget had violated her non compete, she had received in excess of \$78,000. She had appeared contented with the arrangement. We never did know why she tried to recruit others from this MLM into a new one.

Our final arrangement is most easily explained by thinking of income being distributed in separate buckets. I received the first \$7,300 of any money flowing to us from Royalty Income. Jack would then receive the next \$7,300, and we would split the balance evenly. Should the total Royalty Income exceed \$25,000, Jack would not receive his \$2,500.

For example: Prior to Bridget leaving the picture, if the monthly income was \$26,000, Bridget would receive \$13,000, Jack, \$2,500 for expenses, Steve \$7,300 and Jack would receive the balance.

If the monthly income was \$24,000, Bridget would receive \$12,000, Steve, \$7,300 and Jack the balance.

If the monthly income was \$12,000, Bridget would receive \$6,000, Steve \$6,000 and Jack zero.

If the monthly income was \$36,000, Bridget would receive \$18,000, Jack \$2,500, Steve \$7,300, Jack the next \$7,300, and the final \$900 would be split among Steve and Jack.

With Bridget being out of the picture, all of the monthly royalty income would be split using the same formula between Steve and Jack.

The leadership bonus, which would not happen without Jack's concentrated effort would be handled in a different manner: Jack would received the first \$4,000 part of the bonus unless it was necessary to fill either Steve's \$7,300 bucket or Jack's. Once those two buckets were filled, then Jack would receive the first \$4,000 and the rest would be split evenly.

By the time Bridget had violated the contract, she had received \$78,000. Jack had received \$114,776 (including expenses and leadership bonus) and I had received \$82,587.77. By the end of the first year (1994), Bridget had received a total of \$78,000, Jack \$255,081, and I received \$188,474.67. During the second year, Jack received an additional \$256,492, and I received an additional \$198,231. Through the first two years in business, Jack had received a total of \$511,573, and I, a total of \$386,705. During the third year, Jack received an additional \$196,577, and I acquired an additional \$137,158. Totals made in the three years of business were the following: Jack had received a total of \$708,151, and myself, a total of \$523,865.

## **Partnership Problems**

Repeatedly over the three years, Jack asked me about changing our agreement because he said it was costing him more to run the distributorship than he had earlier expected. My position was always the same: I would review the agreement, but as I recalled, it did not carry provisions for any changes unless we both agreed-- and I didn't agree. I explained that I felt since I had no control of how the money was spent to run the distributorship, an agreement which we made from the beginning at his request, I really didn't see why I should pay for more of the operating expenses, especially in light of the fact that he was receiving \$4,000 a month more than me to operate his end of the deal.

During that time, the MLM company moved into a form of bankruptcy. The president was dismissed, and the founder's son was put in charge of the company. While our checks were delayed for several months, they soon regained their regularity. I suggested to Jack that we look at other opportunities with our down-line, but he was insistent that we stay with the company. He was sure it would be fine. It appeared to be so, except that our income stream continued to slowly decline, regardless of the time, money, and effort Jack was expending.

Jack called in late October 1996 and told me he had just received an advance copy of a new pay plan that would be eliminating the leadership bonus and greatly reducing our regular monthly income.

"I am devastated. I can no longer make the kind of money I have been making. I appeal upon your mercy to change the agreement," Jack concluded. (That year he was averaging \$16,500 a month.)

## **Negotiations**

Finally, I decided to negotiate with Jack. I offered to reduce my income to \$7,300 a month, meaning that Jack could have the rest. He countered with me, suggesting that I take only \$5,000 a month. Jack was sure that the income stream would be cut to around \$12,000 once the new pay plan was put into effect. Being unable to come to a new agreement, we discontinued negotiations and agreed to stay with the original written one.

A few weeks later, he offered me his half of the partnership for \$50,000 cash.

I had never run the distributorship. I had never used the products. I had never signed up any new distributors, and I didn't even talk the language. I didn't think it was a wise idea on my part to have to pay him \$50,000.

Since I had put up all the cash to begin with, plus he might have had inside information of an even greater disaster than the income stream reduction, I informed Jack that I felt we should, once again, stick with the original agreement.

## Jack Sells Out

A week later, he informed me that the original owner he and I had met with in Canada three years earlier had been awarded control of the company again by the Supreme Court of Canada. "I can no longer in good faith tell people that they can make money with this MLM company. I will sell you my half of the partnership for \$100, if all other aspects of our agreement are canceled," Jack said.

I was concerned why this man would make, what I considered, such a foolish move to give up half of an income stream. Both Bette, my wife, and I were fearful that he knew something we didn't know; however, we couldn't see a downside of accepting his low offer. I hurried up and did all the paperwork. I got a signed agreement from Jack handing me over the business and a letter to the escrow agent directing that any further money should be sent straight from the company to me. We finalized the abandonment of the partnership on February 1, 1997.

About a month later, the court-ordered president returned to the leadership of the company. The first thing he did was scrap the new pay plan and put into place a modified plan, which wasn't as good for the distributors as the original, but much better than the one that had scared Jack away.

Jack signed up with another MLM company, and despite our agreement that he would not directly contact any of our down-line, many of our distributors received a letter.

In August of this year, after receiving a royalty check for \$17,230 for the month and a total YTD distribution of \$102,852 for an average distribution of \$12,586, I received the attached letter from Jack.

### Questions for Case C

Would you have purchased the distributorship from Jack for \$50,000? What would have been some better negotiations for the two parties involved?

What would you suggest I do about Jack's letter dated this August? Do I have any moral obligation to help Jack?

How is Jack's behavior similar to Bridget's? What can we learn from Jack's mistakes? Bridget's mistakes? Mine? Because of what Bridget did, she lost hundreds of thousands of dollars. What did Jack lose?

Are you okay with Jack's letter going to the distributors? Do you think the letter represented the truth? How about the words in the salutation, "and a very special offer for you"?

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## Gross Receipts of the Distributorship

	<u>Month by Average</u>	<u>Annual Income</u>
1988	\$17,000	\$204,000
1989	\$35,000	\$428,000
1990	\$42,000	\$504,000
1991	\$63,000	\$766,000
1992	\$53,000	\$644,000
1993	\$37,000	\$444,000
1994	\$43,470	\$521,640
1995	\$37,893	\$454,723
1996	\$25,983	\$311,805
1997	\$13,500	\$162,000

TOTAL: \$4,400,000