

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

What You Need To Know About Pyramid Schemes

Have you ever been approached by a friend, co-worker, business associate or family member about a “great business opportunity?” They speak enthusiastically about making seemingly limitless amounts of money, building a “team” that will, in turn, generate more money for you, promoting products that are top-notch and doing all of this from home, where you can write off some of your business expenses. Maybe you attended a seminar where the participants gave testimonials about how they “grew their business” into an incredible wealth-producing venture. If so, you may have been hearing about what are called “pyramid” schemes. While these can sometimes be legitimate business opportunities, they can also all-too-frequently be losing propositions that result in you investing significant sums of money and time up-front only to realize very little, if any, profit down the road.

Pyramid schemes, also known as multi-level marketing or franchise fraud, are marketing and investment schemes in which an individual is offered a distributorship or franchise to market a particular product. The key to wealth-building, according to the promoters of these schemes, is for you to sign up as many people as you can to assist you in selling the

products and then encourage them, in turn, to sign up others as well. You are building what are referred to as “downlines.” The promised wealth comes from the commissions you will supposedly make off the sale of goods and services by yourself as well as by those you recruit to sell for you.

Those that have legitimately made money off pyramid schemes did so by focusing most of their energy on the sale of the actual products. If you come across a plan that asks you to focus the majority of your time on signing up other people, the chances that you will make money off of it are very slim. In addition, if a plan promises that you will receive commissions from recruiting others, it may be in violation of state laws against “pyramiding.”

To make the best decision regarding a business opportunity, consider the following tips:

- 1) Avoid plans that promise commissions just for recruiting new members.
- 2) Beware of plans that ask you to purchase expensive inventory up front.
- 3) Beware of plans that claim to sell miracle products or promise

enormous earnings. Ask the promoters for proof to back up their claims

4) Don't put down any money or sign any contracts during an “opportunity session” or other high-pressure sales presentation. Ask to take them home and think it over first

5) Check with your local Better Business Bureau or State Attorney General's office about any plan you're considering joining.

Get the facts first. A little research done now could save you a financial headache later.

Dollar Savers:

Inexpensive Ways to Treat Yourself

- Fix a simple meal at home and then go out to enjoy a Brownie Avalanche or some other decadent dessert at your favorite restaurant.
- Host a movie night with friends or family. Prepare your favorite dish and/or ask guests to bring snacks to share. Spend the night watching your favorite flicks

Payment Address Change

Genesis Financial Management
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Genesis Reminder:

Please remember, when sending partial payments, attach disbursement instructions. Without instructions, the system will randomly disburse the funds.

Please see reverse for additional updates.



The Bad News and The Good News:

The U.S Commerce Department reports that our national savings rate in 2006 was negative 1%- we're spending more than we're bringing in. The good news is that there are simple steps you can take right now to find extra money to save. For example, cutting out one fast food meal a week (an average of \$5) could save you \$260 a year. Save \$.50 in loose change per day and accumulate an extra \$180 a year! Small change can add up!

Use paper, not plastic, for your everyday purchases. On average, you will spend less because you won't be charged interest.

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Your Savings Toolbox: Avoid The Scam

Identity theft is becoming more and more common these days, and it is up to you to take precautions. Here's an example.

The scam: You are in a hotel, and the front desk calls and says that there is a problem with your credit card and asks you to verify the number. You want the problem corrected so you

provide them with the information requested.

Unbeknownst to you, it was a scammer that called the hotel and asked for a random room and now has your credit card information and everything they need to begin making fraudulent purchases in your name.

How do you avoid this?

Generally hotels will not ask to verify credit card information over the phone, so if you receive a call like this, be suspicious. Tell the caller that you are in the middle of something and will be at the front desk in a few moments. Soon enough, you will find out whether or not there really is a problem with your credit card.

Stop Kidding Around When it Comes to Credit

Are you struggling to pay the bare minimums on your credit cards but still find a way to treat yourself to an evening out with friends? As adults, we have to accept the fact that sometimes we have to make tough choices when it comes to money.

First things first, you need to **admit that you have a problem**. Are you struggling to make the minimum payments on your current debts and yet still adding more debt? Are your interest rates going up? Are you missing the occasional payment? If so, you may have a problem. Heed these red flags. Just because you have a credit card doesn't mean you have to use it. If you don't have the money now, and you won't have the money when the bill arrives, don't make that purchase.

Make a decision and stick to it! Decide to stop using credit as a crutch. Tell yourself that you are not going to spend money that you do not have, and then cut off the credit lifeline! Willpower alone may not be enough to keep you from spending if you've got plastic in your wallet. Lock the credit cards up in a drawer or better yet, cut them up! By the time you order a new card, you may decide that that "necessary" item is not so necessary after all.

Make everything easier for yourself. Once you've conquered the temptation to take on new debt, it's time to start making a dent in the debt you already have. Rather than taking yourself out to lunch, send an additional payment to your credit cards or personal loans, and you will start to

see real progress. Focus on paying off one debt at a time, starting with the smallest debt first. Getting one out of the way will give you some much-needed motivation to keep going.

If you need help, ask for it. Rather than deal with this burden all by yourself, you may want to seek help from a reputable credit counselor who will help you devise a plan to become debt free.

Don't use debt as an excuse. You may be in an uncomfortable debt situation, but don't use it as an excuse to ignore the rest of your financial life. Continue to pay down your debt, but still set aside money for emergencies. Everyone goes through financial hardship some time in their life, but it's how you get out of that situation that counts. □

Please Note: This is a Partnership

We will soon close our payment lock box in Maryland. Please begin sending payments directly to our corporate office in Tampa.

In addition, in the past few months, we have received an abundance of personal checks. Please be advised that we do NOT recommend this method of payment. Our policy re-

quires us to hold personal checks for 10 days before releasing the funds to the creditors which could result in a late fee or decline in benefits.

We're happy that you've chosen Genesis Financial Management to assist you with your finances, but please understand that this is a partnership between you,

Genesis, and your creditors. We do not receive monthly statements from your creditors, so if you notice something of concern on your statements, please contact our client services team at 800-460-8641 and make them aware immediately. Thank you for your cooperation.

Check Out Our Website! www.YourGFM.com