

With reference to the BBC African Eye documentary on Crowd1 business “Unmasking of the Pyramid Kings”, which was broadcasted on November 2, 2020, Crowd1 feels obliged to clarify the following.

First of all, Crowd1 is not an investment opportunity, i.e. it is not selling or offering any kind of financial products or services. You cannot simply invest any money in Crowd1. In fact, Crowd1 is not selling any kind of products of its own. Crowd1 is solely a crowd marketing and online marketing company, which markets third party products by using its approximately 17 million (at present) members as marketers. For clarifying purposes, it should be stated that Crowd1 is not about recruiting members. Crowd1 is only about marketing third company products, for which Crowd1 receives commission from those third-party companies, commission that will be distributed among Crowd1 members as commission/bonus.

What does this mean?

In order to understand this, one needs to know how the legitimate network marketing business operates.

A company selling a specific product can promote the product in many ways. One way of promoting the product is to advertise in magazines or television, on the Internet or in social media. Another way to promote the product is by network marketing. When network marketing is chosen, the product selling company enters into an agreement with a network marketing company whereby the latter will promote the products through its members, i.e. through network marketing.

The members of the particular network company will market and promote the products in question by recommending other people to buy the products and, if and when others buy the third-party products, the network company will receive a commission on the sales obtained. The major part of the commission received from the third-party company will then be transferred to the members of the network as commission/bonus to the members. A small part will remain in the company, being the company profit from its marketing activities. It is essential to understand that Crowd1 business is not about recruiting members, it is all about successfully recommending other people to buy third-party products. Let us exemplify. If a person recommends friends of theirs to book a hotel room through one of Crowd1 partners, namely the online travel agency Life TRNDS, payment for the room will be made directly to Life TRNDS. Life TRNDS will then pay a commission on the booking to Crowd1, and the member will earn commission/bonus on this. All

earnings on a member account are bonuses or commissions earned through successful recommendations to others to purchase third-party products or services marketed and promoted through the Crowd1 network.

The power of a network marketing company lies in its members, the larger number of members it has, the more attractive the network marketing company will be to a third-party company, promoting and marketing their products. The number of members will therefore affect the rate of the commission paid by the third-party company, the more members, the higher commission. The number of members in Crowd1 is what makes Crowd1 successful, i.e. it can get much higher commission than companies with less members. It also distributes a much larger part of the commission earned to the members than all other network marketing competitors, due to the type of products Crowd1 offers.

The (online) network marketing industry is often publicly criticized and unfortunately, there is an underlying mistrust of many companies operating in this industry. This is mainly due to the fact that, there were and still are several non-serious parties with dubious practices that have been attracted to this industry, making it difficult for serious companies to create long-term and sustainable businesses.

However, it is also a fact that there are multiple network marketing companies that have been around for decades and that have helped millions of people to earn an extra income. To be more precise, the world's top 10 networking companies have an annual turnover of approximately USD 40 Billion. These are companies such as Avon, ACN, Herbalife and Oriflame that have a long-term plan and offer quality products to consumers along with attractive income opportunities for their network. Crowd1 is one of those serious companies creating long-term and sustainable businesses offering opportunities for its members to earn an extra income.

The network marketing industry is both complicated and complex, but also the reluctance to learn more about this industry are factors why authorities as well as the media, are at times, drawing incorrect conclusions and parallels with companies that misbehave.

Unfortunately, this makes the narration of Crowd1 in some professional reviews, as well as in media reviews, generally one-sided by not including factors that could correctly reflect what Crowd1 is really about. This is highly unfortunate. Network marketing is simply a business model where people receive a commission/bonus from successful third-party product recommendations.

Taking this into consideration, Crowd1 is unfortunately not surprised to find BBC Africa Eye making unfounded allegations based solely on ignorance and prejudice, and not on the facts.

The BBC documentary is based on the testimonials of two persons, claiming that they have lost their life savings and that they both had other and higher expectations. In fact, both of them expected to make an earning without doing anything. As mentioned before, Crowd1 is not an investment opportunity, it is solely an opportunity for its members to successfully recommend third-party products to others and by doing so, earning an extra income in the form of commission/bonus. At present Crowd1 has more than 17 million members. Among such a vast number of members, there will always be members who are disappointed, who expected more, who hoped to have been more successful and hoped to have earned more money. The testimonials of only **two** dissatisfied members is simply not representative for a business with 17 million members.

The narrative of Crowd1 being a pyramid scheme, as well as its management and its members being scammers, simply is not true. The unfounded allegations made by BBC Africa Eye are in fact libel and Crowd1 will not hesitate to take legal action against anyone who incriminates Crowd1, its management or members of participating in criminal activities, such as a pyramid scheme.

Since the documentary contains so many factual errors, it is almost impossible for Crowd1 to correct them all. We will therefore concentrate on a few of these factual errors.

Miggster

Despite Crowd1 having been crystal clear that Miggster will be launched on November 14, 2020, BBC focuses on stating that “there are no games to play”, indicating fraudulent behavior by Crowd1. For obvious reasons there are not (yet) any games to play but will be on November 14.

Crowd1 Magazine

Although BBC African Eye has all the facts, and the knowledge of, the purpose of the Crowd1 magazine, as well as of how the content is produced, BBC chooses to distort the facts and still claim that the magazine is just PR for the company and calls the content “puff pieces” and “lifted from others”, the latter indicating plagiarism. What is stated in the documentary about the Crowd1 Magazine is simply not true.

Crowd1 has explained the purpose of the magazine, as well as how the content of the magazine is produced and by whom, to the BBC prior to the broadcasting of the documentary. The following facts, among others, were shared with the BBC.

“As for the content of the Crowd1 magazine is concerned, the content of the magazine is partly produced by Crowd1 itself, partly purchased, hence the content is not plagiarized. Crowd1 has no knowledge of whether similar stories have been sold to other magazines as well, all Crowd1 knows is that it has the publishing rights to the content purchased by Crowd1 and the copyright to the content produced by Crowd1 itself.”

Crowd1 finds the BBC African Eye’s allegations unacceptable since the BBC wrongly incriminate Crowd1 of unlawful plagiarism.

Epic 1 Lotto

Despite the fact that Crowd1 has explained to the BBC African Eye how the lottery industry works in general, and how the Epic1 Lotto will work in particular, when it has been launched, come December 2020, BBC still claims that “Mega Millions” is only allowed in the US and that Crowd1 therefore cannot offer that specific product. The following information was however shared with the BBC African Eye prior to the documentary was broadcasted:

“Epic1 Lotto operates as a ticket messenger service (also known as a ticket courier service), a solution where third-party companies legally purchase lottery tickets locally on behalf of people not located there for which they charge a fee for their service in addition to the cost of the actual ticket. This procedure is widespread in the lottery industry and the procedure is totally legitimate. Therefore, Crowd1 is not in violation of any rules or regulations.”

In the documentary BBC however chooses to disregard the fact that “Mega Millions” will be provided as a ticket messenger service and therefore can be provided **legally** to Crowd1 members outside the USA. What is stated in the documentary about Epic1 Lotto is therefore simply not true.

Life TRNDS

BBC African Eye describes the Life TRNDS travel product as a “plug and play”, insinuating that it is not a real product. This is being done despite the fact that BBC was provided with the facts from the CEO and founder of Life TRNDS. The following

information was shared with the BBC African Eye prior to the documentary was broadcasted:

“First of all, one of the principal owners of Life TRNDS fully owns the existing travel platform, therefore the Life TRNDS product offered to Crowd1 members, is not a white label solution, though there is nothing wrong in any business using a white label solution for a product offering. Regarding inventory, all online travel agencies (OTA’s) use a percentage of all hotel inventory displayed from the inventory of other OTA’s and Bed Banks in conjunction with the inventory that comes from the direct contracts with the hotel and resort industry”.

SAfer security app

Although BBC African Eye admits that the SAfer security app actually works, the product is accused of being re-branded. Implicitly BBC is saying that the app is in fact a fake product. What BBC chooses to disregard, is the fact that the owner of the safety app, PanicGuard, has been supplying B2B safety solutions for more than ten years and has now introduced its first B2C product for the South African market. BBC also disregards the fact that so-called white-label solutions are commonly used and are fully legitimate. We truly believe that BBC would not question the fact that Chevrolet is a real car, even though Chevrolet, Cadillac and GMC, are the same cars, only sold under different brands. In other words, re-branded.

Given these circumstances, BBC Africa Eye’ alleged conclusions as regards to Crowd1 business activities are ill founded, judgmental and not accurate. Crowd1 is neither a scam, nor is it a pyramid scheme.

Anyone interested in finding out the facts about what Crowd1 is and what it is not can watch the video recorded by Crowd1 as a response to the BBC Africa Eye.

<https://blog.crowd1.com/blog-post/bbc-response-crowd1>

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