

## MLM Company Profile: American Gold Reserve



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### American Gold Reserve

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#### Founding Story

American Gold Reserve ([www.mlmllegal.com](http://www.mlmllegal.com)) is located in Orem, Utah. American Gold Reserve is owned by Old Glory, which was founded in 2009. The company manufactures and ships more than 60,000 gold and silver bullion products monthly.

#### Impact on the Industry

NA

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#### Discussion of Products

American Gold Reserve offers bullion products, including .9999 pure gold "Flag" series rounds and bars and .999 pure silver "Founding Fathers" rounds, ranging from one gram to one kilogram.

#### Discussion of Opportunity

American Gold Reserve offers the following compensation plan:

## A. Reward System Overview

There are four (4) ways to earn commissions in the AGR Reward System. They are:

1. Retail Sales Commissions from your sponsored Customers
2. 3x9 Matrix Overrides
3. Matching Check Overrides
4. Retail Sales Bonus Pools

Special features of the AGR Reward System include:

- Full Dynamic Compression and Roll-up inside the 3x9 Matrix
- Each of the 9 levels in the 3x9 Matrix pays out 5% of CV
- Three Generations of Matching Checks: up to 50%, 25%, 25% of CV
- 5% of CV is allocate to 3 Retail Sales Bonus Pools.

## B. How Commissions and Bonuses are Calculated

Each product is assigned a Commissionable Value or "CV" which is calculated based on that product's gross margin above AGR cost. The CV is the basis for calculating all commissions and overrides.

- Retail sales commissions are 10% of the CV.
- Preferred Customer (one who commits to 12 monthly minimum purchases) sales commissions are 5% of the CV, because Preferred Customers receive a discount equal to 5% of the CV on monthly pre-authorized product purchases.
- No sales commissions are paid on Affiliate personal purchases (AGR retains 5% as an Affiliate Compliance Fee to cover Affiliate compliance costs incurred by AGR)
- After commissions are paid, the remainder of the CV is paid out on all product sales (regardless of who purchased the products) as follows:
  - 45% to the 3x9 Matrix
  - 45% to the Matching Checks
  - 5% to the Retail Sales Bonus Pools
  - 5% to AGR to hedge against metals price fluctuations

### **3x9 Matrix and Matching Checks**

Once a person or entity qualifies to be an AGR Affiliate (see below for qualification requirements), the Affiliate is entitled to earn overrides in the 3x9 Matrix, overrides in the form of Matching Checks, and the shares of the three Retail Sales Bonus Pools. The amount of an Affiliate's overrides are based on the CV generated by his personally-enrolled Customers, the CV generated by all Customers in his 3x9 Matrix, and the number of his personally-sponsored Affiliates, as follows:

With one (1) personally-enrolled active Affiliate, you are qualified to earn overrides on all 9-levels of your 3x9 Matrix at 5% CV per level. (Please note that you may have Affiliates that you did not personally enroll, who occupy positions in your 3x9 Matrix, on whose CV you earn 5% overrides.)

With two (2) personally-enrolled active Affiliates, you are qualified to earn overrides on all 9-levels of your 3x9 Matrix at 5% CV per level. In addition, you are also qualified to earn a 25% Matching Check\* on both of your personally-enrolled Affiliates. This check is equal to 25% of the amount your personally-enrolled Affiliates was paid on the CV generated within their 3x9 Matrices\*\*.

With three (3) personally-enrolled active Affiliates, you are qualified to earn overrides on all 9-levels of your 3x9 Matrix at 5% CV per level. In addition, you are also qualified to earn a 50% Matching Check on all of your personally-enrolled Affiliates. This check is equal to 50% of the amount your personally-enrolled Affiliates was paid on the CV generated within their 3x9 Matrices.

With four (4) personally-enrolled active Affiliates, you are qualified to earn overrides on all 9-levels of your 3x9 Matrix at 5% CV per level. In addition, you are also qualified to earn a 50% Matching Check on all of your personally-enrolled Affiliates, plus a 25% Matching Check on your 2nd Generation\*\*\* Affiliates (those whom your personally-enrolled Affiliates subsequently personally enroll). These Matching Checks are equal to 50% of the amount your personally-enrolled Affiliates was paid on the CV generated within their 3x9 Matrices, and 25% of the amount your second-generation Affiliates were paid on the CV generated within their 3x9 Matrices.

With five (5) personally-enrolled active Affiliates, you are qualified to earn overrides on all 9-levels of your 3x9 Matrix at 5% CV per level. In addition, you are also qualified to earn a 50% Matching Check on your personally-enrolled Affiliates, a 25% Matching Check on your second-generation Affiliates, and a 25% Matching Check on your third-generation Affiliates. These Matching Checks are equal to 50% of the amount your personally-enrolled Affiliates was paid on the CV generated within their 3x9 Matrices, 25% of the amount your second-generation Affiliates were paid on the CV generated within their 3x9 Matrices, and 25% of the amount your third-generation Affiliates were paid on the CV generated within their 3x9 Matrices.

### **Companywide Retail Sales Bonus Pools (5%)**

The RSBP is designed to incentivize Affiliates to generate sales to Customers who are not in the distribution network. "Retail Sales" are sales to Customers or Preferred Customers who are NOT also Affiliates.

As indicated above, after commissions are paid, AGR sets aside 5% of the remaining CV from every sale made companywide, into the Retail Sales Bonus Pool, which is available to qualified active

Affiliates. The RSBP is further divided into three (3) pools. Here are the qualification requirements for earning a share of each pool, as well as the amounts allocated to each:

**Retail Sales Bonus Pool #1 – the “Silver Pool”:** 1% of the remaining CV after commissions (i.e. 20% of the RSBP) will be shared equally between all active and qualified Affiliates in the Silver Pool.  
**Qualification Requirements:** You must personally be an active Affiliate, and maintain 5 or more personally-enrolled active Affiliates during each qualifying month. The Retail Sales CV generated by your 3x9 Matrix must meet or exceed the “Silver Pool Qualification CV” as published by AGR. AGR may change this amount from time to time. Please check our website for current numbers.

**Retail Sales Bonus Pool #2 – the “Gold Pool”:** 2% of the remaining CV after commissions (i.e. 40% of the RSBP) will be shared equally between all active and qualified Affiliates in the Gold Pool.  
**Qualification Requirements:** You must personally be an active Affiliate, and maintain 10 or more personally-enrolled active Affiliates during each qualifying month. The Retail Sales CV generated by your 3x9 Matrix must meet or exceed the “Gold Pool Qualification CV” as published by AGR. AGR may change this amount from time to time. Please check our website for current numbers.

**Retail Sales Bonus Pool #3 – the “Round Table”:** 2% of the remaining CV after commissions (i.e. 40% of the RSBP) will be shared equally between all active and qualified Affiliates in the Round Table.  
**Qualification Requirements:** You must personally be an active Affiliate, and maintain 25 or more personally-enrolled active Affiliates during each qualifying month. The Retail Sales CV generated by your 3x9 Matrix must meet or exceed the “Round Table Pool Qualification CV” as published by AGR. AGR may change this amount from time to time. Please check our website for current numbers.

An Affiliate may qualify for and receive a share of one, two or all three of the Retail Sales Bonus Pools.

### C. How to Get Started

#### **How to become an AGR Customer**

Simply purchase any product from AGR's website, or from a website authorized by AGR. When you check out, you may be prompted to enter the Affiliate ID of the Affiliate who introduced you to AGR.

#### **How to become an AGR Preferred Customer**

Simply commit to purchase any product from AGR's website on a monthly recurring basis over a period of 12 months. Preferred Customers receive the same pricing as Affiliates, but do NOT need to qualify to become an Affiliate, recruit or train other Affiliates.

#### **How to Become an AGR Affiliate**

You can become an AGR Affiliate either one of two ways:

1. Become an AGR customer by purchasing a product from our website. Then, obtain an Affiliate ID and personally introduce a new Customer to AGR. Following the new Customer's purchase, your Affiliate status will be activated, you are placed into the 3x9 Matrix under the

Affiliate who enrolled you, and you will be eligible to earn commissions and overrides on all future purchases by all Customers you introduce and Affiliates you enroll, as described above; or

2. Do not purchase anything. Simply obtain an Affiliate ID and personally introduce two (2) new Customers to AGR. Following the second new Customer's purchase, your Affiliate status will be activated, you will be placed into the 3x9 Matrix under the Affiliate who enrolled you, and you will be eligible to earn commissions and overrides on all future purchases by all Customers you introduce and Affiliates you enroll, as described above.

#### **How to maintain your status as an Active AGR Affiliate**

After becoming an active AGR Affiliate you have 2 options to maintain active AGR Affiliate status:

Option #1: Where allowed, you can personally purchase any one (or more) of our AGR product offerings each month, at the AGR Affiliate pricing.

Option #2: You can have at least one of your personally enrolled Customers or Preferred Customers purchase any of AGR's product offerings during the qualification month.

#### D. Illustrations of the Reward System

Hypothetical Illustration #1: A Customer purchases an amount of Gold or Silver featuring a \$40.00 CV.

- A. \$4.00 commission is paid to the Affiliate who brought the Customer to AGR
- B. \$16.20 in overrides are paid, at \$1.80 to each of the 9 levels in the 3x9 Matrix above the Affiliate.
- C. Up to \$16.20 in overrides are paid out in Matching Checks
- D. \$1.80 is allocated to the Retail Sales Bonus Pools

Hypothetical Illustration #2: A Customer purchases an amount of Gold or Silver featuring a \$200.00 CV.

- A. \$20.00 commission is paid to the Affiliate who brought the Customer to AGR
- B. \$81.00 in overrides are paid, at \$9.00 to each of the 9 levels in the 3x9 Matrix above the Affiliate.
- C. Up to \$81.00 in overrides are paid out in Matching Checks
- D. \$9.00 is allocated to the Retail Sales Bonus Pools

For more information, one must contact the company.

#### **Discussion of Distributor Base and Sales Volume in U.S.**

NA

Company Website: <http://www.americangoldreserve.com/>

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*Jeffrey A. Babener, principal attorney in the Portland, Oregon, law firm Babener & Associates, represents many of the leading direct selling companies in the United States and abroad.*

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