

Second Visit to Beijing NUS Store

6/12/2012

One of our contacts in Beijing revisited the Beijing NUS store to meet again with Ms. Si. While there, Ms. Si introduced our contact to her up-line, Jing Dong (woman). Together they told our contact they call trainees Q1s and in NUS's pay structure Ms. Si and Ms. Dong do not make any money from Q1s.

Our contact asked Ms. Si if there was anything he would have to sign in order to become a Q1 (trainee) and he was told he would have to sign a business contract. Our contact was then told he could only see the contract right before he signed it. Furthermore, he was told he would not have to pass a written exam in order to become a Q1.

After he signed the contract, Ms. Si said, he would be required to purchase 5,000RMB worth of products. Then he would have 6 months to sell 30,000RMB worth of products in order to become an SR (they refer to distributors as SRs.), his initial 5,000RMB purchase would count towards his 30,000RMB sales target. Our contact was told, while a Q1 he would receive 5% commission on his sales. Once he became an SR, his commission level would rise to 20-25% and he would be responsible for selling 10,000RMB worth of products every month. Ms. Si and all of her up-lines would then each receive 5% commission on all of our contacts sales.

Ms. Dong told our contact once he got 5 SRs under him he would have a group. A group is just a title showing one has 5 down-lines. There are no advantages to having a group.

Our contact asked if there was a book that explained the corporate structure, different positions and their commission rates and he was told that no such book exists.

All NUS employees buy products from the company, never from their up-line.

Ms. Si made our contact this chart to explain the commission levels. This chart is based off of every SR (distributor) hitting their sales target of 10,000 RMB.

Number of SRs in Down-Line	Commission Percentage	Commission Amount
5 SRs	5%	2,500
25 SRs	5%	12,500
125 SRs	5%	62,500
625 SRs	5%	312,500
3125 SRs	5%	1,562,500
15625 SRs	5%	7,812,500