

To illustrate the contrast between Melaleuca and a company without the advantage of residual income, VanderSloot often uses the example of Avon. Avon is a multi-billion dollar company which has given women all over North America the opportunity to earn extra income. However, no matter how successful an Avon representative is in a given month, she will not earn a single penny the next month until she goes out and starts ringing doorbells again.

The only conclusion that one can draw comparing Avon to Melaleuca is that someday Melaleuca will also be a multi-billion dollar company. “When you consider the advantages of our product line and our residual income,” states VanderSloot, “there is no comparison.”<sup>12</sup>

Larry Pember echoes VanderSloot’s sentiments. Having been a stock broker, Pember took a critical look at Melaleuca before getting involved. Residual income is a key reason for his success. “In the stock brokerage business, you are retailing. You

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are selling, but your production results in one month of income. The next month you're starting over,” he explains. “Melaleuca is a business that produces residuals. As an example, a personal friend of mine was my second customer. That first month I believe I earned \$14.00 from his

purchases. Now, 22 months later, I earn approximately \$1,000 a month from the sales in his organization. This is residual income!”<sup>13</sup>

Another Executive Director puts it in a slightly different context. When asked how much he made from his first month's work with Melaleuca, he typically replies, “I don't know yet. I'm still getting paid for it.”