

What does the phrase “pay to play” mean?

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The term “pay to play” is actually a negative phrase in the direct selling and MLM industry. It is used to reference a program which encourages independent distributors to make purchases to qualify for commissions and rank advancement. Obviously, personal use is not unusual in the direct selling industry. However, programs in which distributors are driven to purchase product or service, more by the desire

to qualify than by a genuine desire to use the product for personal use, are sometimes referred to as “pay to play,” and this may suggest that the product or service does not stand on its own in the marketplace, potentially causing legal issues for the company.

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On Assignment

On any given day you can catch [Jeffrey Babener](#) lecturing on Network Marketing at the University of Texas or the University of Illinois, addressing thousands of distributors in Los Angeles, Bangkok, Tokyo and Russia, or writing a new book on Network Marketing, an article for Entrepreneur Magazine or a chapter for a University textbook. Over two decades he has served as marketing and legal advisor to some of the world's largest direct selling companies, the likes of Avon, Nikken, Melaleuca, Discovery Toys, NuSkin, and he has provided counsel to the most successful telecom network marketing companies...Excel, ACN, World Connect, ITI, AOL Select and Network 2000. An active spokesperson for the industry, he has assisted in new legislation and served on the Lawyer's Council, Government Relations Committee and Internet Task Force of the Direct Selling Association (DSA) as well as serving as General Counsel for the Multilevel Marketing International Association. He is an MLM attorney supplier member of the DSA and has served as legal counsel and MLM consultant on MLM law issues for many DSA companies.

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