



INVESTORS' GRIEVANCES FORUM

SEBI Registered
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President: Dr. Kirit Somaiya, Ex. M.P

Dated: 14th May 2011

The Finance Minister,
Ministry of Finance,
North Block,
New Delhi

Dear Sir,

Sub: Speak Asia Online - The latest MLM company out to defraud people

In the past we have dealt with several Fly by night operators, Plantation companies, MLM operators such as Japan Life, Gold Quest, Kudos Marketing who have duped investors by assuring them phenomenally high returns in a short span of time.

The newest addition to this line is a company called Speak Asia Online.

SpeakAsia, is an online company collecting large sums of money by rapidly enrolling people with the promise of incredible payments for simply filling out online surveys. Our preliminary investigation, however, shows that the company is not registered in India and it does not have any legal documentation to carry out such business. The company hopes to register one crore agents by the year-end.

Speak Asia Online, claims to be based in Singapore, and is spreading its multi-level marketing (MLM) wings in India under the pretext of online surveys.

As is usual in any MLM scheme, this company also makes big claims about earnings, but fails to provide any documentary evidence for the same.

The company asks new customers or subscribers to pay \$120 (standard) or \$220 (premium) for becoming a panelist for one year.

However, it says the fee is for its e-bulletin for one year. It clearly says: "You can remain a panelist and earn from Speak Asia only as long as your subscription to E-Bulletin is in force."

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This means, before earning a single penny, you need to pay the company upfront. After the one-year period, one needs to renew the subscription. There is no mention of renewal fees.

Speak Asia Online sends its surveys mostly on Wednesday to all subscribers. Each survey takes around 40 minutes to complete. It says: "The first eight weeks are treated as a training period and the company provides you feedback on incorrectly filled surveys." After that period, any incomplete or incorrect surveys are rejected and the company does not pay for it.

The company assures that it will make the payment in local currency i.e. in Rupees, through direct bank transfers. But the catch here is that one has to pay bank transfer charges of 3% or minimum \$7.5 per transaction.

This means, in case you have earned \$10 for the month, you would get payment of \$2.5 only, as \$7.5 from the total payment would get deducted as bank transfer charges.

The company also provides income in reward points (one reward point is \$1). It awards up to seven reward points per week for a standard panelist and 20 reward points to a premium panelist.

It offers survey income as well as passive income that one earns by adding more people into a down-line – the MLM way. However, for the next day's incentive calculations, it does not consider the weaker line. It says: "Weaker leg is flushed out whereas the stronger leg is always carried forward for next day's incentive calculation."

In this regard, here are a few facts that we want to highlight to you with regard to companies like SpeakAsia online.

1. How can anyone give Rs1,000 per week or Rs52,000 a year for a subscription of Rs11,000 per annum for a e-zine? Would anyone pay four times the amount to anyone for his investment (!) in just one year?

2. If the business is so lucrative, why are they not offering this opportunity to people from other countries as well? With returns as high as over four times their original investment, people from any region would jump on to the online survey bandwagon.

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However, this will never happen, because there are very strict laws and punishments for fraud and for duping people in countries like the U.K. or USA, compared with that in India and Bangladesh. So the 'business' is thriving here and not in the US or even in Singapore, where SpeakAsia claims to be a registered entity.

3. Every panelist of the company claims to have proof of their income from the surveys. However, what they show you as proof is not a bank statement, but their e-wallet created on the company site. Transferring money from e-wallet into a bank account involves a transaction charge of 3% or \$7.5 per payment, whichever is higher.

4. Speak Asia panelists are hell-bent on registering more and more people below their ranks. It is called as legs, left and right and the pair is supposed to give the agent 'additional' binary income. The spreading of binary income is always in pyramid shape. The commission is given only on matching pairs, which means that if you have one sub-agent under one leg and two under another leg, you would receive commission only for two sub-agents and not three. In addition, every month, MLM companies 'carry' the stronger leg forward, or in short you miss commission from the leg that has less sub-agents.

Although the company offers to pay for filling out surveys online, it fails to mention that for doing this job one requires minimum knowledge of English and the Internet.

The company website does provide links for all countries and major cities but directs all queries to its Singapore address only, which neither has a telephone number nor any email ID.

According to news reports, this company has changed its name three times over the past five years and is blacklisted for non-compliance in Singapore.

Its website, speakasiaonline.com does have a link for legal documents but provides the legal documents not of the company but generic documents from the Customs Department, the Reserve Bank of India (RBI) and so on.

In addition, there is no mention of its promoter or top management on the site. In fact, there are no names on the website. All one can see is just names of its 'dealers' and their bank account numbers.

Actually, there is no legally registered company. No Address, No Office. One day

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the website will simply be not there on the net and that will be the end of road for people who invested.

There is no actual survey for which this company is engaged by others. Will a professional company want a genuine survey to be done by people who are into 'business' of writing surveys?

Survey are done on a random sample of people to get actual user experience. No company will accept surveys done by an army of survey report writers whose only interest is to make money!

To sum up, the entire intention of Speak Asia is to loot and defraud small, unsuspecting investors.

IGF requests you to immediately initiate an inquiry in the matter and put an end to this scheme of fooling people.

Regards,
For Investors Grievances Forum

Kirit Somaiya
(President)

Cc:

Securities & Exchange Board of India
Reserve Bank of India
Ministry of Corporate Affairs
Economic Offences Wing

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