

Hi

I finally managed to watch Derren Brown's The System last night . . .

I had a hunch what the secret was and within a few minutes of the programme I had it sussed. Now, I am not showing off my powers of deduction or lateral thinking here. I had seen it all before, albeit in a slight different form as I will show you in a moment . . .

As we all know, there's no such thing as a surefire guaranteed system to predict which horse is going to win. And as the show explained, Derren Brown had to start with over 7,000 people, splitting them into 6 groups and sending each group the name of one horse from a 6 horse race.

Naturally, 5 horses lost and one horse won.

So one group were naturally delighted, while the other 5 groups lost.

The winning group was then split into 6 and the same process repeated again and again until I think by the 5th race there were just 6 people left, all of whom had had a seemingly odds-defying winning streak.

By the time it came to the last member of the group, she was so certain that the system worked that she begged and borrowed as much money as she could to place on the 'dead cert'.

Of course, as this was a TV programme, everyone was offered a refund on the money they had gambled. And as a nice twist, despite appearing to put money on a horse that lost in the final race, Derren Brown somehow managed to switch betting slips and the last punter turned her £4,000 stake into shed loads of cash!

But this system doesn't usually have a happy

ending like this . . .

In fact this system is actually a version of a classic direct mail scam that has been around for years, although it is interesting to note that I haven't seen it circulated for at least the last 8 years.

The scam is not exclusively applied to horses, as the numbers involved are huge. To make it more manageable, it is also used on games where there are only 2 or 3 outcomes (if you count a draw). Think football, baseball, tennis, basketball etc.

The scam comes as the punters on the winning side are asked to send in their money so that the scamster can place the bet on their behalf. As soon as the big money is sent in, he runs off without placing the bet!

What can you learn from this?

First, don't fall for this scam. I can guarantee that after that programme some of the more dubious outfits will be scheming to resurrect the scheme in one form or another. If in doubt, send it to me and I can confirm if it is a con or not.

Try and see the bigger picture - the trick with The System was that the victims only had a limited view and were basing their decisions on their own personal experience. Always try to stand back from an opportunity and look at it rationally. Is it too good to be true? Are there claims that the returns are guaranteed?

You will find that similar principles exploited by certain MLM/network marketing schemes where it seems that everyone is making money. But all you are seeing are those who have joined the opportunity early and are benefiting from all the other punters piling in and filling their downline.

And that brings me nicely to something I am covering in the Feb issue of What Really makes Money.

Simon 'Megawealth' Johansson is back (again) with yet another over-hyped and seriously dubious scheme. Now you may remember Simon from the ill-fated Mega Wealth Academy, The Property Automated System and The Emerald Passport.

Well, his new venture is The Over Night Cash

System. As far as I know this is not his system, but one that he is promoting heavily. It's interesting to see the use of Youtube videos clips to promote his as well as the more traditional methods. One in particular made me laugh, where a guy is opening a FedEx package around Christmas time (the decorations are in the background) and he takes out wads of dollars . . .

Check it out here:

<http://www.youtube.com/watch?v=-Kgoc9Z-Lgk>

So what's so worrying about this? Well the promotion explains quite explicitly that this is a 'cash gifting' scheme. Back in 2001, a high profile cash gifting pyramid scheme called 'Women Empowering Women' lured hundreds of UK women into parting with £3,000 each in the hope that they would receive similar multiple cash gifts back.

Yes, this worked . . . for a while . . . and there were plenty of women who received significant returns, but inevitably once the new entrants started to dry up, the pyramid collapsed and many people were left thousands poorer.

Is this any different? Well, you'll find plenty of advocates of this system who will do everything they can to persuade you that it's different and to shoot down anyone who is sceptical. This is a classic technique used by many network marketing schemes and scams - they flood the Internet with evangelical followers who populate forums and even buy up keywords or use on Google Adwords like 'cash gifting scam' to lure sceptics in and then come up with all manner of persuasive techniques and explanations to 'prove' that yes, this one is different.

Don't believe 'em!

There is debate whether 'cash gifting' is illegal or exploiting a legal loophole, but whatever the argument, these schemes are never a serious long term business and in my opinion this one will eventually crash and burn leaving plenty of people a lot poorer.

Look, you cannot make money out of thin air. Money is never generated in a vacuum. Real businesses require a product or service and a fair form of exchange. But as far as I can see, there is

absolutely no product in a cash-gifting system, but merely the promise that by sending money to others on your upline, those in your downline will do the same to you . . .

So what else can you find in this month's issue?

There are 2 very exciting blueprints - the first exploits a little-known law that 70% of small businesses are breaking. You see, businesses are now required by Health and Safety rules to have any portable electrical appliance regularly checked. And we have come up with a business plan where you can become what's known as a PAT tester. The great thing here is you do not need to be an electrician to do these tests and yet you could be making from £300 for half a day's work!

The other blueprint is one I came across in a recent issue of Avril Harper's eBay Confidential - it is a relatively little-known new feature called eBay Classifieds that allows you to bypass eBay's strict rules and direct people outside of the eBay auction system so you can sell everything from affiliate products, ebooks all the way up to high ticket items like boats and aircraft for a commission.

I have also decided to share with readers exactly how to use win-win Joint Ventures deals as a free and zero risk way to sell your products . . . especially information products.

You'll also find my usual biz opp reviews including one for an affiliate shopping opportunity called EI42 that only launched last Friday plus I take a hard look at The Ultimate Entrepreneur Club . . .

Right, I'm off to see Spamalot this afternoon with Zac (and Heloise). This is the musical stage adaptation of Monty Pythons Holy Grail film. I was a big Python fan in the 1970s (my father's influence!), so it will be nice to introduce a new generation to their surreal humour!

Best regards

Nick

PS: Remember to check your emails tomorrow for news of the very exciting Foolproof Earlybird strategy!

 [Back to top](#)

 [Previous](#) | [Next](#)