



Advisory Warning No. 2 of 2008

25 July, 2008

ADVISORY WARNING

**ADVISORY ISSUED BY THE BRITISH VIRGIN ISLANDS FINANCIAL SERVICES
COMMISSION CONCERNING NEWNETQUEST**

Tortola, British Virgin Islands – 25 July, 2008 – The British Virgin Islands Financial Services Commission (the “Commission”) is issuing this advisory warning under Section 4(1)(l) of the Financial Services Commission Act, 2001. An advisory warning is hereby issued to the general public for **NewNetQuest** as a potential pyramid scheme targeting residents of the BVI.

Pyramid schemes may be masked as legitimate investment opportunities, and may offer packages which may be purchased for varying amounts, and a high return on the investment, and/or a share percentage of net advertising revenue. Pyramid schemes may be described as a business variation of the “chain letter”, and essentially rely on new investors to generate funds to pay off old investors.

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It typically works by promoter 'A' offering 'B' and 'C' opportunities to purchase distributorships for a proposed start up company at a fixed starting price, (usually \$1,000). For every new investor acquired by the selling of distributorships by an investor, that investor is paid a percentage or fixed sum of the money initially invested. Essentially the plan can go on without anyone being hurt and everyone still makes money, however, the number of investors needed to keep the scheme afloat can easily exceed population figures, making the scheme go bust. The scheme is therefore referred to as a pyramid because those at the top, usually those having initiated the scheme benefit most, while those at the bottom lose most.

The public should be aware that the Commission does not regulate such schemes; and has not authorised or endorsed **NewNetQuest**.

Members of the public are strongly advised to exercise extreme caution when dealing with **NewNetQuest** and other pyramid schemes and should be aware of the potential for financial loss. The public is invited to provide the Commission with any relevant information on questionable entities which are operating in or from within the Territory.

The Commission's e-mail address is commissioner@bvifsc.vg and the Commission may be contacted by telephone at (284) 494-4190.

For More Information on Pyramid Schemes see:

<http://www.lectlaw.com/files/inv01.htm>

SIGNED:

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