

PRESS NOTE

Bursting of Fraudulent MLM Scheme “Q Net” involving thousands of crores by Cyberabad Police

This is a case of cheating by the Vihaan Direct Selling Pvt. Ltd. Company- A sub franchisee of QI Group in India marketing under brand name of Q Net. This case is cracked down by the sleuths of Cyberabad in various parts of Telangana, Andhra Pradesh, Bengaluru and Delhi, in which (58) persons were arrested in (14) cases which were registered against Vihaan Direct Selling Pvt. Ltd. (Q Net) in different Police Stations of Cyberabad. There are total (30) cases registered on Q Net Company in Cyberabad. There are (08) cases which are under investigation with CID, TS.

Vihaan Direct Selling Pvt. Ltd. formerly known as Gold Quest, Quest Net, is a Hong Kong-based multi-level marketing (MLM) company owned by the QI Group. The company invokes many Ponzi schemes and Binary Schemes, Product based, Vacation Packages etc., business tactics which are illegal. Q Net, the main subsidiary of the QI Group of Companies was founded by Vijay Eshwaran and Joseph Bismark in Hongkong in 1998. Trevor Kuna (joined Q Net in 2008) who was Chief Marketing Officer is said to be appointed as CEO of Q Net. Michael Ferreira and Malcolm Desai are the shareholders of Vihaan Direct Selling Pvt. Ltd. Now it operates in a number of countries like India, Philippines, Cambodia, Nepal, Indonesia, Turkey, Saudi Arabia, Russia and etc. In India, Q Net has appointed Vihaan Direct Selling Pvt. Ltd. as its sub franchisee. Dilipraj Pokkella and Md. Imthiyaz are said to be the directors of Vihaan Direct Selling Pvt. Ltd.

The Q-net / Vihaan promoters give motivational lectures to the unemployed youth and also to the homemakers stating that there is business project which will yield huge profits to them. Once the customer joins i.e., absolutely by paying cash or on line transaction to the upliner/ Introducer person or to the Vihaan account (Q-net franchisee), an User name and Password will be generated, but the Password will not be given to the down line ID person and it will be with the upliner only in the Q-net web.

MO - Business Model:

At first the Q-net / Vihaan promoters say to the new comers that there are various business projects such as Cost Optimization Business, Health and Wellness products, Watches and Jewelry, Personal care and beauty, Tour Packages, Education Packages (SMC MBA Certification) etc.,. The promoters trap the new comers with sweet words stating that they will be a part of the Q Net Kingdom where they can build their own future. They say that if the new comers who paid money don't like Q Net business packages, they can claim their refund within a month. But in fact the promoters will drag the one month period by giving motivational classes, training sessions and also providing books such as The Parable of the pipeline, Questions are the answers, The Business School, Who Stole the American dream, The Copycat Marketing 101 and Talk the talk, to the new comers and tell them to read all the books to gain knowledge over the business. Once the new comer joins into the Q Net/ Vihaan Business through a referrer/ promoter he becomes Independent Representative (IR). After paying the money the new comer gets some products

and the promoter gets commission. The promoter then says to the IR that to get money he/she has to enroll two other members and they in turn join two each other new comers. As the number of persons increases down the line the upliners get more money as commissions.

The Q Net/Vihaan business model is a simple pyramid scheme in which the early entrants earn money and as the number of independent representatives (IR) increases, finding more IRs (New Comers) to join becomes difficult or impossible. IRs that joins late does not earn enough to cover their first outlay and the model collapses. It works as a binary scheme. Down the line the number of persons to be joined becomes difficult or impossible. The scheme collapses at a point of time.

The company has various combinations of product based packages to the new entrants based on their payment. But, the new entrants will not have an iota of knowledge about the products and their quality. They even do not bother to verify the quality of the products as they are interested only in the huge monetary returns the company has promised for them.

Arrests, Search and Seizure:

Total (58) persons were arrested in (14) cases which were registered against Q-net and Vihaan Direct Selling Pvt. Ltd. in different police stations of Cyberabad are arrested. The Godown of Vihaan direct selling Pvt. Ltd. at Bangalore and the office of Transview Enterprises (A Marketing Agency for Q Net products) are seized. An amount of Rs. 2.7 crores is freezed in the Bank account of Vihaan Direct Selling Pvt. Ltd. The bank accounts of accused persons involved in the cases are also seized.

Total arrests- 58 persons

Bengaluru- 05
Delhi- 01
Eluru- 01
Hyderabad- 51

Nativity of the arrested persons:

A.P.- 05
Telangana- 42
Karnataka- 05
Gujarat- 01
Delhi- 01
Odisha- 01
West Bengal- 03

**Commissioner of Police
Cyberabad**