



The Making of
MARKET AMERICA
The Mogul & The Mogullete

By Jeremy Lissek

The Mogul

Before the leap of faith, there was the plunge. In a storm one night at sea, after a huge wave crashed over the boat he was working on, James "JR" Ridinger suddenly found himself hanging onto a wire rail for his life, with his feet dangling overboard. It was the kind of moment that only those who have lived and worked on the high seas can truly comprehend. It doesn't happen to everyone. But if it does, when it does, if it's you, it changes you in ways you can't ever truly articulate, even to yourself. It happened to JR, and it led him down a path towards an epiphany through a series of events that led to the genesis of Market America. And it not only altered his destiny, but the lives of millions.

JR always wanted to be successful, so he was passionate about doing something truly great in life. As a young boy he was fascinated by inventors and scientists, later becoming one himself: a biologist. "I guess I had a vision of being a Thomas Edison or Jacques Cousteau," JR wistfully recalls. He got a job as a marine environmental biologist for the Department of the Interior. "It wasn't what I had envisioned," explains JR, "but it was very difficult to get a job in your scientific field of study, so I stuck it out."

He spent countless hours in the field catching a certain species of fish, then bringing them back to the lab to put them in tanks, infect them with "aeromonas liquefaciens" (fin rot) and red tide, and study the effects. After months of this he made some significant findings and a paper was published. "When I saw it, the department head's name was on it as the author with no mention of my work," JR says. "I guess that was my first disillusionment with a job."

Shortly thereafter, an opportunity arose to go on a "resource assessment expedition" on a research vessel. The ship would stay at sea for months at a time, trawling at certain coordinates. Its main purpose was to pull up all the marine life in the designated spots and then dump it on a huge deck. JR was part of the crew that would sort the creatures and fish into types and count and weigh them, and observe any diseases. This was done like clockwork every two hours. "I was the low guy on the totem pole," JR laughs, "so I got the 2/4/6 a.m. shift."

And it was during one of these shifts that the plunge occurred. "We were trawling, getting tossed around during a raging downpour, and I was on deck, sorting fish," JR regales. "A 20-foot wave came over the boat and washed me across the deck." And then he was hanging in the balance. "But an adrenaline rush caused me somehow to pull myself back on deck." Once onboard, without hesitation, he went below, announced he'd had enough of being a marine biologist, and quit.

Upon returning home, some college buddies invited JR to join them in a vacation to Bermuda. It was an eye-opening experience. Instead of rusty, old research ships, he was amidst luxury yachts, their wealthy entrepreneur owners, and the requisite beautiful girls. Now this was a life he deserved and could handle. "I found out what an entrepreneur was and became absolutely enamored by it," JR fondly remembers. "To me that was the ultimate career. Entrepreneurs are at the top of the pyramid of life because they create enterprises that change the world, and they are the producers of society. When we returned from Bermuda, we were out of money because we stayed a few days extra, and so we had to hitchhike from JFK on the Belt Parkway in the pouring rain."

As fate would have it, a Cadillac turned around and picked up JR and his friends.



JR and Loren in their Manhattan penthouse



The Ridinger's home in Greensboro, North Carolina

"The guy was going our way and as we drove a conversation developed," JR recalls. "I complained about work, and that I now thought that I wanted to become an entrepreneur. The driver listened intently. Then he egged me on. He challenged me to meet with him again if I was serious. A week later he came to my ramble-shack house near Asbury Park, New Jersey." He showed JR a direct sales marketing plan. He told JR that if he was serious, he had to learn what to do and what it took to be successful in business. He sold JR ticket to a seminar for \$5, which he really didn't have and certainly couldn't afford. "That would be \$35 today. But I reached in my pocket and bought it," he says.

The guy also gave JR a cassette tape called "The Strangest Secret" by Earl Nightingale. The tape went on and on about the common golden thread that ran through all successful people, building up to the unveiling of the "strangest secret"—the strangest secret was that you become what you think about all the time. "Well, at 21, I couldn't believe that, for if it was true, I would have certainly become a girl," laughs JR. "But the point was that we become the predominant manifestation of our thoughts. It also said to surround yourself with people who are successful or who are pursuing success. That Saturday was the seminar. I didn't feel like going, and all my buddies were going to the beach to chase girls. But that ticket was burning a hole in my pocket, so I got in my beat up Mustang and fought traffic for two hours to go to the Holiday Inn at LaGuardia Airport. At that seminar I met other entrepreneurs and sales people. I learned about residual income, where you do something, make something, or build something once, but get paid for it over and over every week, month, and year."

That sparked a vision, a passion, and a mission in his mind. "Why work for someone else for your entire life and end up broke, when you could develop a residual income and become financially free and do whatever you want," JR states. With the die cast, JR continued down a path of experiences that ultimately led to the Market America concept, as well as his beautiful and brilliant wife, Loren; giving birth to both an incredible life and an amazing company that provides an entrepreneurial opportunity for the average person to actively mold and change their fate, just like JR.

Loren, his gorgeous wife and MA partner, readily confirms this. "JR is my inspiration," she affirms lovingly. "He's been a marketing genius since I met him when I was 18. At the time that we met he was ready for a fresh change in his life. He was ready to make something incredible happen, and I'm not sure that he realized at the time how big his mission would become."

JR's mission is tied to a core philosophy that is as simple as it is uplifting: anybody can make it. "I think that most people start out with high hopes and dreams and they get their first job and think that everything is going to be great. But work turns out to be eight hours and controlled by bells. They get blamed for everything and don't get credit for what goes right. It creates a rut between home and work and after about a year or two of that, those aspirations start to fade away. That rut gets too deep. It's like a grave—you just have to push them in a little and they're dead. Most people give up."

JR has dubbed this the "45 year system," where someone starts up with high hopes and then they give up on their dreams; their last hope being simply that they can retire. "The statistics are astonishing," JR says as he shakes his head. "This is the land of great opportunity, the land that foreigners came to stake their claim to the American Dream. Yet after 45 years of working, 95 percent of the people end up broke." For him, it begs the question: why would most people spend their lives working for someone's financial success rather than their own? The answer always comes back to the foundation. "We came up with a subsystem of residual income, because nobody is going to become wealthy or independent without it."

Developing residual income is the fundamental driving force behind the whole enterprise. People lead to people. "Think of it this way. You go to a movie not knowing what to expect and it turns out to be great," JR explains. "So you go home and start telling everyone about it. A week later someone is deciding which movie to see, they think about what you told them and so they see it, too. Then they tell more people. By the end of the month hundreds of people have gone to see that particular film. We've created a complex tracking software



program that accounts for referrals and credits people for making them. Market America is not interested in market share as much as in customer share. Once I have a loyal, locked-in customer, it's about finding what they want. And when you already know what they want, the product is already sold."

Market America and its residual income machine has overseen countless stories of success. "The real story is that there are tens of thousands of people adding \$300 to \$3,000 per month to their incomes." They are making things possible for themselves in ways that weren't previously even conceivable. And for the really big dreamers, JR offers up a star example, Elizabeth and Bruce Weber (you can read more about their story in our Power Players section). "They were struggling. Miserable. They became involved and today they're making a couple million dollars a year. Yet she doesn't do it for the money anymore. She has become an incredible leader, setting a great example. To me that's the American Dream. I'm firing my boss and I'm going to do my own thing. I'm going to determine what I want to do with my time. I can travel. I can spend time with my kids. I am free."

Another thing, JR stresses, is that this freedom is what leads to success, and sustains it via a referral network. "Each customer has a personal guide on the MA website. As the referrals build, the UnFranchise owner basically takes care of the customers, which is totally unlike shopping anywhere else on the Internet. This personal shopper is like a professional product broker. I believe that in the future everyone will have a product broker that has access to all of the best deals."

And becoming an MA product broker is like automatically having all the backing you'll ever need from a huge corporation, just cheaper and easier than you'd ever find. "A franchise normally costs \$147,000 or upwards to \$1 million, and really what you're doing is paying too much for the right and privilege of the name. They aren't rocket science. They're pretty mundane, like chicken or burger

shacks, hot dog stands, mailrooms. So why would someone do that, pay that much?" The answer is pretty simple: the probability of success goes way up because franchises provide a business plan.

Good franchises also guarantee systemization and standardization that works everywhere. There's training support, products and services at the lowest cost, brand awareness, and growing visibility. "We do all that, exactly the same thing as other franchising firms," touts JR, "but we eliminate the upfront cost. We don't charge a royalty or a monthly fee of 10 percent. We actually pay them weekly for the sales they put in. So it's a reverse, in a way, of the typical franchise relationship. Yet it has the same systemization and that's why I call it UnFranchise. We coined that phrase, and so that leaves the question of what does an UnFranchise person sell? We sell everything. Whatever people want. We are basically a one-to-one marketing company—greatly facilitated by the Internet. We basically match people to product, and product to people.

"There's an old saying, 'People hate to be sold but they love to buy,' which is really true," JR continues. "If you go into a store and someone says, 'Can I help you,' you don't say, 'Yes, I want to be sold.' You say, 'Oh, I'm just looking.' But by the same token when we want something we love to shop for it. We love to go on the Internet and look for it and get it. And that's the part we focus on: what do people want. So as a product brokerage company we find it and give it to them."

Besides providing the portal, the technology, and the training and support, the part JR is really proud of is the ease of the overall design. "It doesn't matter about your education or background, it's all designed for the average person," crowns JR. "With just a little sweat equity anybody can be an MA entrepreneur." JR's a passionate entrepreneur junkie. "I guess you could say I believe that everyone should be in business for themselves. Unfortunately it's not that easy."

But he strives to make it easier. "Everything you need is there. Anybody who has the desire has the opportunity. They actually have someone interested in their success, someone who will guide them step-by-step, who cares, and is there

with support," he says. The individual just has to want to do it.

He's also striving to keep MA's offerings right on the heartbeat of the moment. Earlier in the year they announced major impact developments: myWorld, MA's entertainment portal, and Chatterbox, a social networking portal. "We've always been a product company that had a universal shopping cart," JR says. "The fastest growing segments of Internet ordering are digital gaming, interpersonal contact, and purchases like music and tickets. We created the digital dashboard so that anyone can get whatever they want. We can pay artists. We can sell tours and merchandise now. It's also a great marketing tool. The artists are shouting out 'Market America.' And so it makes us fun and cool, too."

Everything that's being released right now is very exciting to JR. "The digital dashboard, the portal, all of the interactive stuff is making this a great time for MA," JR says. "The social networking allows people the chance to express their personalities, filling their room up with things they like. It's catchy and fun and really addictive and it seems like new friendships are constantly being made."

And Google search is, of course, the biggest breakthrough. "Our biggest problem was finding a really good search engine," JR recounts. "Now that we have, it's really going to rock the Internet retailing world. You can just type something in and it will search all categories—all brands, all sizes; everything." This partnership makes MA's universal shopping cart so much more effective. Loren succinctly sums it up, "We offer ultimate convenience."

A universal shopping cart is perfect for a universally expanding company. MA has a vision for the global community. "We started out in the United States and haven't even scratched the surface of maximizing MA's potential here," JR informs. "We attracted an entrepreneurially hungry Asian/Taiwanese/Hong Kong following." Four years ago, they took MA to Australia, and were literally begged to go to Taiwan. "We made \$80 million in one year," he exclaims. The people made it happen.

Now MA is looking at Mexico, Spain, and Great Britain. It's difficult to exactly convey such an amazing phenomenon. It'll mean even more people making a common economic bond, blurring physical boundaries, creating a community that's bigger than a country.

Sometimes he'll find himself just sitting, in a rare moment of stillness. Maybe it'll be after yoga. Maybe he'll be on his 167-foot megayacht, Utopia III. He'll reflect, almost in awe, at how far MA has come and the vast potential growth on the horizon. "We marvel that this might be bigger than we really think," JR muses. Through shopping MA has created its very own economic ecosystem. "It causes people to come together. When people are able to make money by coming together, ideologies become much less important." Especially when times are tough.

The Market America advantage in a soft economy? JR's asserts, "The great thing about our business is that people need to make money and everyone still needs to shop. Once you've had to worry about losing your job you become more conscious of other options. A soft economy is like pouring gas on that fire. And we certainly don't hurt during a strong economy."

For the Ridingers, the point of it is that hindsight is always better than foresight, but you can't necessarily know the future. "You have to follow your passion, and the answers and opportunities unfold to lead you where you want to go," affirms JR. "It requires taking a leap of faith from time to time, when the future and outcome are uncertain or unknown. And by taking that step the future is determined."





The Market America headquarters in Greensboro, North Carolina



The Mogulette

It's 8:30 a.m. and Loren Ridinger is smartly styled, feeling just glamorous enough in a vintage Pucci dress and flip-flops. Only four hours ago she was still up, blogging, returning emails, researching, conceptualizing. Dreaming. Now after a fast makeup and faster cup of coffee, she's raring to go, rockin' it, eating problems for breakfast. She's already checked in with her brother, Marc, and all the VPs at Market America. As Senior Vice President, she's outlined what needs to get done, as well as the new business concept for MA—today it's digital publishing—that she awoke with.

Remember when women in the workplace were all about power suits and trying to be one of the guys? About having a high-powered job and a manner to match? Well, that's no longer the deal. There's a new breed of boardroom babe: a beautiful, tough mogulette, one whose Vuitton-toting, Louboutin-shod presence does as much talking as her fabulous results. This new prototype is poised and confident, a powerful package of beauty and brains. She might use no-nonsense savvy and finger-on-the-trigger fearlessness to face down problems, but her greatest asset is the fact that she's a woman, applying a nurturing instinct to leadership, making sure others feel comfortable, accommodating their opinions, and giving them the encouragement and confidence to achieve. And if you've ever met Loren Ridinger, you know exactly what we're talking about.

Loren's the consummate networker. She can close the big deal. She has the social IQ to understand how to navigate and drive a big corporation. She's connected. She understands media, e-commerce, and the blogosphere. And she knows how to tie together the whole package with a nice, neat bow.

And although Loren might be working from her home penthouse office, you might be surprised that learn that she got here the hard way, working her butt off from the ground floor up. It all started when she met JR. "When we first met we, I was pretty

much right out school and he was just trying to rebuild back up," Loren recalls. "He had been successful in other companies but had taken a tumble and was back to square one. Yet, he swept me off my feet and I was taken by his charisma, even though he had nothing to offer. There was something very special about him. He was always very hard working and an entrepreneur and willing to do whatever it took."

They had big dreams, and she remembers them well. They used to rent the little boats over by Collins Avenue on Miami Beach. They'd putt around the waterways, wistfully looking at the beautiful homes and wishing that one day, one of them would be theirs. "JR was always so brilliant I would try to encourage him to do his own thing rather than work for somebody else. So when we first started Market America there was a time in the beginning when the products that we were making were good but there wasn't any more money to keep making products." Yet she and Marc hung in with it, with both pretty much working for no money. "I think Marc got \$35 a week which really just covered his gas. But we said to JR, 'We'll pack the boxes. We'll handle the customer service stuff. We'll handle everything, just don't throw in the towel,' because we knew that people had a real belief in him and we needed him to be in the field, showing people all the great products we had and encouraging more people to be involved with MA." And it was this kind of can-do attitude that got them through the rough start, and the strange mix of joy and adversity that was around the bend.

The joy came in the form of their daughter, Amber, a few years later. Loren went in to have her on a Tuesday, and on Friday she was back in the office, doing payroll. Loren's mom would work at her dry cleaning job in the morning, then pick up Amber at noon. Loren would be in the office until nine at night, pick up Amber on her way home, go straight to bed, and start all over again. It wasn't easy, but it was working. And then there was tragedy.

Loren's mom suddenly passed away; Amber was only seven months old. "It was the most devastating time of my life," Loren says. "Everything was in shambles. We couldn't survive with what we had and I couldn't stop working." So everyday became a take your daughter to work day; there was no other choice. They put a playpen in the office and like always, everybody pitched in; even her youngest



Onboard the Utopia III

brother, Steve (now MA's executive director, overseeing NMTSS, MA myWorld, and Chatterbox). "He was just 13 and had come to live with us and he wanted to help out however he could, so after school he'd take a turn looking after his niece, too" Loren proudly recounts. "I'd do all the newsletters and brochures, literally trying to juggle all of that while helping Steve, who I adore, deal with everything and get through school. In the summer he'd come work at the company. We really only knew how to stay together."

It's this notion of nurture that saw MA through the early obstacles, the love for family flowing easily from Loren on down. "My whole family came together. My sister came to work at the company and we started recruiting other people that we had life long relationships with, people that we went to junior high with and we had all grown up with and my mother considered her own children. We brought them on, and to this day they're still there. And we started to build a small team and as the years went on Market America grew much more successful."

It may be much smoother sailing now, but it's still a juggling act. Loren goes to bed late, not because she's an insomniac, but because she's constantly thinking about what MA needs to be doing, where it's going, and what needs to be done to get there. "My husband always asks me at two in the morning if I'm staying up all night. I hate to say yes, but pretty much that's when I have my time alone, in between my day and making sure Amber's and JR's needs and happiness are taken care of. It's always been a jigsaw puzzle." So late at night, when it's quiet, is Loren time. Time to brainstorm. Time to have her most creative moments.

And she's up early, tackling the hardest challenges of the day because they're not going anywhere unless she does something about them. She's not a wait-until-the-last-minute type of business woman. "No matter what you do, do it great, give it everything you got right away, and give yourself a chance to succeed," says Loren. "Jennifer Lopez is my best friend and we have this saying that people need to get out of their own way." It's a belief linked to those who don't recognize that they're blaming others, and circumstances, for their own lack of success. "That's why I love getting those letters from women that say I did it; I finally left a man after 17 years of abuse and I'm making money with Market America, and I'm not afraid anymore," Loren says with a gleam. "They took the big steps and learned to say, 'I want more. I want more freedom. I want my life and my work and my family to be all that they can be.'"

That puts a spring in her own stilettoed steps. It reminds her of what she's working for. She realizes how wonderful it all is, the beautiful things she has: two yachts, the Manhattan penthouse, the Miami mansion, homes in North Carolina and Bali, and one on the way on Bonds Cay in the Bahamas, where the Ridingers are creating a private island with Shakira and her fiancé Antonio de la Rúa, and Alejandro Sanz. But she also gets it, that there's only so much money one can have. Then she goes to a Market America convention. "Somebody will come up and thank me for changing their life, and telling her as a woman to not give up. Don't be afraid to act. I've had so many women tell me that I've given them inspiration to get on their own two feet and stand for what they believe in." And back at home, she'll read letters during Loren time, the letters that come from more changed lives, and she'll start to cry. Deep in the night, she knows what she's living for. What her life is about. What Market America means.

MA is the power of the Internet through people, built on product. And via this mogulette's savvy vision, it's getting bigger everyday. "I couldn't understand why we were just marketing MA products, because people were still going to buy other things," she says. "And that's when I told JR we have to sell everything. We have to be able to give people anything they want at any time of the day. Make it easier for them. Build partnerships with people and build more business



Utopia III cruising on the Hudson River at sunset



The annual Market America Leadership Convention in Miami

relationships. So when you look at MA today, we have everybody from Saks to Best Buy. People can literally buy anything they want from Market America. Why not be able to sell them from the MA portal, and help more people save money by buying them from Market America."

And she's making it a more personal endeavor, too, by branching off and aiding people with fashion deals, steals, and tips. "Women have been writing to me over the years, asking where I bought something or how can I afford to dress like I dress," she says. After writing so many back, I decided I wanted to help as much as I can." The result is her myfashioncents.com, her blog. "It's fantastic since I actually get to help people with questions online, like 'what can I wear to a wedding,' how they can dress for less, or how they can look their best without that much money." It's almost like an offspring from Market America because everything that she recommends is easily obtainable through MA stores. And her shining personality jumps off the page. It's just another way she helps to deliver comparison shopping at the very best prices, granting people unfamiliar with the Internet access to stores and opportunities previously inaccessible to them. "We're lucky. So many partner stores are giving us awesome deals because we're providing them with a great consumer base, one they've never had before."

It's just another way she's exposing her life to a clamoring public. Knowing the high interest level, Loren integrates her and her family's life in her blog. "It's amazing to me that people love to hear about how we've truly become the American Dream and how we rose above every challenge. It's actually a sweet story of the American Dream about a couple that could prove that they could stay together. Because of it people like Harper Collins have come to us about writing a book about how to keep a family together, and a book about my fashion sense, Market America, and everything else we're doing." Loren knows what MA can do, and she senses that more and more people are really starting to also see it. "I was talking to Kimora Lee Simmons the other day, who is a good friend and partner of mine and she said, 'You know, Loren, in all the things I've been involved with, in my own line, in the products I've endorsed, I've never been more pleased with people saying to me, 'oh my God your involved with Market America, we love you.' So even Kimora understands that at MA you're part of such a big family."

Even Loren will still get fascinated by it all. Like when MA holds their Moving Up Seminars, helping people to take their life from irritation to motivation—to change

things; to achieve certain goals and dreams. She'll give attendees a tour of their home, simply because she's been asked, and the reaction still surprises her. "They'll walk through in awe and I have to remind them that I never had this before. For me, I walk down my staircase everyday and ask, 'how do I get to live in this home?'"

The answer is success by home cooking...and product development. Loren's a major force behind all of MA's new products, especially in terms of anti-aging. Still a scrappy entrepreneur, she spends many evening hours researching for things she wants to add into the MA sphere. In fact, she's been hard at work on a whole new line of beauty products that will be launched early next year. She's excited about it, because she not only sells MA products, she relies on them. "As long as I'm taking my Isotonix everyday and taking a good walk, I feel good," she admits. And she also feels good about Chatterbox and MA myWorld, MA's new social networking and entertainment portals. She sees that it's helping MA maximize its potential.

Loren knows that it's not just that MA sells incredible products, but because it sells belief. People are looking for a better way. They're looking to subsidize their income. That's why even in a bad economy, MA is flying. "We're doing better than ever," Loren asserts. "Because it doesn't matter what your education level or financial status is; anybody can succeed in Market America. And everybody's part of something that can change their lives in so many more ways." She knows this, because at events and conferences, she'll watch the audience. She'll look out and see people hugging, see love bloom as men and women meet for the first time, the same ones who will eventually marry. "We're giving people a whole new life and expanding their social circles. People have done so many things because of Market America. It's touched them in such amazing ways. That's why every day I want to do more. Give back more."

She's doing it, all right. With panache and an infectious smile she's making a difference. For Loren, no matter what time of day or night it is, it's about how else can she help; who else can she touch; what organization can she be more involved with. It's about being half the woman her mother was, keeping a family together, and being able to demonstrate the example of hard work. "I was inspired by her. I wanted to be her. And I feel like I'm doing that." ☺