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# “Ponzi” Pyramid Schemes

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Max has received this email. It describes a scheme for making money.

From: A Crook  
Date: Thursday 15th January 2009  
To: B Careful  
Subject: Get rich quick!

Dear friend,

Do you want to get rich quick? Just follow the instructions carefully below and you may never need to work again:

1. At the bottom of this email there are 8 names and addresses.  
Send \$5 to the name at the top of this list.
2. Delete that name and add your own name and address at the bottom of the list.
3. Send this email to 5 new friends.

1. If that process goes as planned, how much money would be sent to Max? Show your calculations.

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**“Ponzi” Pyramid Schemes: (continued)**

2. What could possibly go wrong? Explain your answer clearly.

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3. Why do they make Ponzi schemes like this illegal?

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