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15 **UNITED STATES DISTRICT COURT**  
16 **CENTRAL DISTRICT OF CALIFORNIA**

18 Federal Trade Commission,  
19 Plaintiff,  
20 v.  
21 Loss Mitigation Services, Inc., et al.,  
22 Defendants.

} Case No. SACV09-800 DOC (ANx)

} **MEMORANDUM OF POINTS**  
} **AND AUTHORITIES IN**  
} **SUPPORT OF PLAINTIFF'S**  
} **MOTION TO STRIKE DEAN**  
} **SHAFER'S AFFIRMATIVE**  
} **DEFENSES AND DENY HIS**  
} **REQUEST FOR JURY TRIAL**

} Judge: Hon. David O. Carter

} DATE: February 22, 2010

} TIME: 8:30 a.m.

} COURTROOM: 9D

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## INTRODUCTION

1  
2 Plaintiff Federal Trade Commission (“FTC or “the Commission”), pursuant  
3 to Federal Rules of Civil Procedure 12(f) and 39(a)(2), respectfully moves this  
4 Court for an order striking Defendant Dean Shafer’s affirmative defenses and  
5 denying his request for a jury trial. Each of Dean Shafer’s affirmative defenses is  
6 legally insufficient, redundant and/or immaterial, and he does not have a right to a  
7 jury trial in this matter.

8 On July 13, 2009, the Commission filed this action against Defendants Loss  
9 Mitigation Services, Inc. (“LMS”), Synergy Financial Management Corporation,  
10 also d/b/a Direct Lender and DirectLender.com (“Synergy”), Dean Shafer,  
11 Bernadette Perry (a.k.a. Bernadette Carr and Bernadette Carr-Perry), and Marion  
12 Anthony (a.k.a. “Tony”) Perry, pursuant to Section 13(b) of the Federal Trade  
13 Commission Act (“FTC Act”), 15 U.S.C. § 53(b) [Docket Itm. #1]. The FTC  
14 alleges that Defendants have violated Section 5 of the FTC Act by, among other  
15 things, representing to consumers that they will obtain a mortgage loan  
16 modification or stop foreclosure in all or virtually all instances, by representing  
17 that they will give refunds to consumers if they fail to obtain a mortgage loan  
18 modification or stop foreclosure, and failing to do so, and by representing that they  
19 are consumers’ mortgage lenders or servicers, or are affiliated with, working with,  
20 or authorized by consumers’ mortgage lenders or servicers. To remedy  
21 Defendants’ violations, the FTC seeks, pursuant to Section 13(b) of the FTC Act,  
22 15 U.S.C. § 53(b), injunctive and equitable monetary relief.

23 The Court entered a Temporary Restraining Order as to all parties on July  
24 20, 2009 [Docket Itm. #14], a Preliminary Injunction Order as to Defendants LMS  
25 and Synergy on August 18, 2009 [Docket Itm. #41], a Preliminary Injunction  
26 Order as to Bernadette Perry and Tony Perry on August 19, 2009 [Docket Itm.  
27 #43], and a Preliminary Injunction Order as to Dean Shafer on August 19, 2009  
28 [Docket Itm. #44].

1 On December 22, 2009, Dean Shafer filed his Answer [Docket Itm. #74]. In  
2 addition to a demand for a jury trial, Dean Shafer asserts eight affirmative  
3 defenses: (1) Failure to State a Claim; (2) Good Faith/Business Reasons; (3) Fault  
4 of Others; (4) Lacks of Justifiable Reliance; (5) Comparative Negligence; (6)  
5 Implied Waiver; (7) No Joint and Several Liability; and (8) Reservation of  
6 Additional Affirmative Defenses.

7 For the following reasons, the FTC respectfully requests that the Court strike  
8 Dean Shafer's affirmative defenses and deny his request for a jury trial.

### 9 ARGUMENT

#### 10 **I. DEAN SHAFER'S AFFIRMATIVE DEFENSES ARE LEGALLY** 11 **DEFICIENT, REDUNDANT AND IRRELEVANT, AND THUS** 12 **SHOULD BE STRICKEN.**

13 Federal Rule of Civil Procedure 12(f) provides that upon motion made by a  
14 party "the court may strike from a pleading an insufficient defense or any  
15 redundant, immaterial, impertinent, or scandalous matter." The Ninth Circuit has  
16 held that defenses insufficient as a matter of law should be stricken "to avoid the  
17 expenditure of time and money that must arise from litigating spurious issues by  
18 dispensing with those issues prior to trial." *Sidney-Vinsein v. A.H. Robbins Co.*,  
19 697 F.2d 880, 885 (9th Cir. 1983). Motions to strike affirmative defenses serve the  
20 "extremely valuable" purpose of "weeding out legally insufficient defenses at an  
21 early stage . . . to avoid the needless expenditures of time and money, in litigating  
22 issues which can be foreseen to have no bearing on the outcome." *Knickerbocker*  
23 *Toy Co. v. Winterbrook Corp.*, 554 F. Supp. 1309, 1323-24 (D.N.H. 1982).

24 A court can strike an affirmative defense if it determines that "there are no  
25 questions of fact, that any questions of law are clear and not in dispute, and that  
26 under no set of circumstances could the defense succeed." *SEC v. Sands*, 902 F.  
27 Supp. 1149, 1165 (C.D. Cal. 1995) (quotation omitted). Additionally, "[a] defense  
28 may be stricken if it does not provide [the plaintiff] fair notice of the basis of the

1 defense.” *Federal Loan Modification*, No. SACV09-401 CJC (MLGx), slip op. at  
2 2 (C.D. Cal. July 22, 2009) (Order Granting Plaintiff’s Motion to Strike)  
3 [hereinafter *FLM* Order] [*Federal Loan Modification* Docket Itm. #76] (attached as  
4 Att. A); *accord New York v. Micron Tech., Inc.*, No. C 06-6436, 2009 WL 29883,  
5 at \*3 (N.D. Cal. Jan. 5, 2009) (citing *Wyshak v. City Nat’l Bank*, 607 F.2d 824, 827  
6 (9th Cir. 1979)). This means that an affirmative defense must be supported by  
7 sufficient facts explaining how it connects to the case. *See PepsiCo, Inc. v. J.K.*  
8 *Distribs., Inc.*, No. 8:07CV00657, 2007 WL 2852647, at \*2 (C.D. Cal. Sept. 14,  
9 2007).

10 **A. The Claimed Affirmative Defense “Failure To State A Claim” Is**  
11 **Not Proper, and The FTC Has Stated A Claim Upon Which Relief**  
12 **Can be Granted.**

13 Dean Shafer improperly pleads “failure to state a claim” as his First  
14 Affirmative Defense. Ans. ¶ 73. This affirmative defense is nearly identical to the  
15 First Affirmative Defense asserted by the defendants in another FTC law  
16 enforcement action against a loan modification company and its principles before  
17 this Court. Ans. to First Amended Compl. ¶ 53, *FTC v. Federal Loan Modification*  
18 *Ctr., LLP*, No. SACV09-401 CJC (MLGx) (C.D. Cal. July 2, 2009) [hereinafter  
19 *FLM* Ans.] [*Federal Loan Modification* Docket Itm. #55] (attached as Att. B).  
20 This Court granted the FTC’s motion to strike that affirmative defense because  
21 “failure to state a claim is not an affirmative defense.” *FLM* Order at 2. The Court  
22 explained that “whether Plaintiffs have failed to state a claim must be resolved in a  
23 motion to dismiss.” *Id.*

24 Furthermore, the FTC clearly has stated a claim upon which relief can be  
25 granted. In determining whether a complaint states a claim, the courts must  
26 assume that all the factual allegations pled in the complaint are true. *Scheuer v.*  
27 *Rhodes*, 416 U.S. 232, 236 (1974). Section 13(b) of the FTC Act expressly  
28 authorizes the FTC to file suit “if it has reason to believe that (1) there has been or

1 there is about to be a violation of any law enforced by the Commission, and (2) it  
2 would be in the public interest to enjoin such a violation.” *FTC v. Hang-Ups Art*  
3 *Enters.*, No. CV 95-0027, 1995 WL 914179, at \*3 (C.D. Cal. Sept. 27, 1995).

4 Furthermore, Section (5)(a) of the FTC Act prohibits “unfair or deceptive acts or  
5 practices in or affecting commerce.” 15 U.S.C. § 45.

6 Here, the FTC’s complaint alleges that the Defendants have violated Section  
7 5(a) of the FTC Act by misrepresenting to consumers that Defendants will obtain a  
8 mortgage loan modification or stop foreclosure in all or virtually all instances; by  
9 misrepresenting that Defendants will give refunds to consumers if Defendants fail  
10 to obtain a mortgage loan modification or stop foreclosure; and by representing  
11 that Defendants are consumers’ mortgage lenders or servicers, or are affiliated  
12 with, working with, or authorized by consumers’ mortgage lenders or servicers,  
13 when, in truth and in fact, they are not. Compl. ¶¶ 62-70. Courts routinely have  
14 found that making false and deceptive claims in connection with the sale or  
15 marketing of goods and services violates the FTC Act. *See, e.g., Hang-Ups Art*,  
16 1995 WL 914179, at \*3 (“Courts have consistently held that misrepresenting  
17 material facts or deceiving buyers in connection with the sale of goods violates  
18 section 5 of the FTC Act.”) (citing *Resort Rental Car System, Inc. v. FTC*, 518  
19 F.2d 962 (9th Cir. 1975); *Goodman v. FTC*, 244 F.2d 584 (9th Cir. 1957)). Thus,  
20 given that well-settled law establishes that Defendants’ alleged conduct is  
21 unlawful, *id.*, and the remedies sought by the FTC are expressly authorized by the  
22 FTC Act, *FTC v. Pantron I Corp.*, 33 F.3d 1088, 1102 (9th Cir. 1994), the First  
23 Affirmative Defense fails as a matter of law and should be struck. *See Hang-Ups*  
24 *Art*, 1995 WL 914179, at \*3 (striking affirmative defense of failure to state a claim  
25 where complaint alleged that defendants engaged in deceptive practices in relation  
26 to sale of artwork).

27 **B. Good Faith Is Not A Defense to a Violation of the FTC Act.**

28 Dean Shafer’s Second Affirmative Defense asserts that the “Complaint is

1 barred because Answering Defendants acted in good faith, with reasonable and  
2 justifiable business reasons[.]” Ans. ¶ 74. However, the law is well-established  
3 that good faith is not a valid defense to a Section 5 violation. *See Feil v. FTC*, 285  
4 F.2d 879, 896 (9th Cir. 1960) (stating that whether an individual acts in good or  
5 bad faith is immaterial for Section 5 liability); *see also, e.g., FTC v. World Travel*  
6 *Vacation Brokers*, 861 F.2d 1020, 1029 (7th Cir. 1988) (“An advertiser’s good  
7 faith does not immunize it from responsibility for its misrepresentations.”); *FTC v.*  
8 *Direct Mktg. Concepts*, 569 F. Supp. 2d 285, 302 (D. Mass. 2008) (holding that  
9 good faith of defendant was immaterial in granting summary judgment to FTC on  
10 Section 5 count). As a matter of law, Dean Shafer’s Second Affirmative Defense  
11 fails and therefore should be struck.

12 **C. The Claimed Affirmative Defenses of Fault of Others,**  
13 **Comparative Negligence, and Implied Waiver are Vague and are**  
14 **Not Proper.**

15 Dean Shafer’s Third, Fifth, and Sixth Affirmative Defenses are vague and  
16 improper because none of these purported defenses provide fair notice of the  
17 defense. Merely making vague reference to a doctrine, without more, does not  
18 provide fair notice of a defense. *See FLM Order at 2; Qarbon.com, Inc. v. eHelp*  
19 *Corp.*, 315 F. Supp. 2d 1046, 1049 (N.D. Cal. 2004).

20 In his Third Affirmative Defense, Dean Shafer asserts that “all damages and  
21 injury alleged in the Complaint, if any, were caused, if at all, in whole or in part, by  
22 the conduct, fault and/or negligence of persons or entities other than Answering  
23 Defendant.” Ans. ¶ 75. This affirmative defense, however, does not identify the  
24 others at fault, their purported role in the alleged unlawful marketing and  
25 advertising practices, or how they were “negligent,” at “fault,” or otherwise  
26 culpable. This Court in the FTC’s law enforcement action in *Federal Loan*  
27 *Modification* dealt with a nearly identically pleaded affirmative defense, *FLM* Ans.  
28 ¶ 54, and the Court determined that those defendants did “not identify [the

1 defense's] factual basis" and thereby did "not provide fair notice to Plaintiffs."

2 *FLM* Order at 2.

3 Dean Shafer not only fails to provide fair notice as to the meaning of this  
4 defense, in his answer he admits his involvement in many of the acts and practices  
5 that the FTC alleges violated Section 5 of the FTC Act. As discussed above, the  
6 FTC alleges that Defendants made false claims in connection with the marketing of  
7 their loan modification services. *See, e.g.* Compl. ¶¶ 62-70. In his answer, Dean  
8 Shafer admitted that he is "CEO of LMS and has served as an officer of the  
9 company, including in the capacity of CFO, secretary, and director" and that he  
10 "formulated, directed, controlled, had the authority to control, or participated in the  
11 acts and practices of Answering Defendant." Ans. ¶ 7. In addition, he admitted,  
12 among other things, that he "charged [consumers] between \$2,500 and \$5,500 in  
13 upfront fees," Ans. ¶ 14, that he "marketed [the Defendants'] loan modification  
14 services" to consumers through "direct mail solicitations" and "telemarketers,"  
15 Ans. ¶¶ 15-16, 18-19, that "some of their direct mail solicitations arrive in a  
16 window-type envelope, addressed so that showing through the window just above  
17 the homeowner's name and address, in bold print, is the name of the homeowner's  
18 mortgage lender and or servicer followed by a hyphen and the phrase 'Loan  
19 Modification Notice,'" Ans. ¶ 21, that "some of their solicitations include a one-  
20 page notice which includes, at the top left, LMS's name, that immediately below  
21 this line, they print the phrase 'Original Loan Amount,' followed by the  
22 homeowner's loan amount, and below that is a 'Customer Code,' and below that is  
23 the address block, which shows through the envelope window," Ans. ¶ 22, and that  
24 "some solicitation letters included the phrase 'Please contact us today regarding  
25 your existing mortgage. Our records indicate that you may be eligible for a loan  
26 modification which could include a rate reduction and loan mount reduction on  
27 your existing loan,'" Ans. ¶ 26. Despite admitting to selling and marketing the  
28 particular services at issue in the case, Dean Shafer's affirmative defense

1 apparently purports to deflect blame onto unidentified third parties without so  
2 much as hinting at their identity or their culpable conduct. His Third Affirmative  
3 Defense, therefore, should be struck as vague and improperly pled.

4 Dean Shafer's Fifth Affirmative Defense, which nominally asserts the  
5 "doctrine of comparative negligence," Ans. ¶ 77, similarly is vaguely pled.  
6 Moreover, this defense is not even applicable in this law enforcement action.  
7 Under California law, the doctrine of comparative negligence provides for the  
8 reduction of the plaintiff's recovery in proportion to the plaintiff's comparative  
9 fault. *See Bostick v. Flex Equip. Co.*, 147 Cal. App. 4th 80, 102 (Ct. App. 2007).  
10 This legal theory has no bearing here, unless Dean Shafer somehow intends to  
11 allege falsely that the FTC is comparatively at fault for the alleged law violations.  
12 Accordingly, Dean Shafer's Fifth Affirmative Defense is vague, improper, and  
13 misplaced and should be struck. *Quintana v. Baca*, 233 F.R.D. 562, 565 (C.D. Cal.  
14 2005) (striking affirmative defense of comparative negligence where court could  
15 not envision apportionment of fault between plaintiff and defendant for alleged  
16 constitutional violation).

17 Finally, Dean Shafer's Sixth Affirmative defense of "Implied Waiver" is  
18 similarly vague, and does not provide fair notice of the defense he attempts to  
19 assert. This affirmative defense thinly states that "[a]s a separate defense, the  
20 Answering Defendant allege[s] that each count alleged in the Complaint, insofar as  
21 it seeks monetary relief, fails in whole or in part due to the doctrine of implied  
22 waiver." Ans. ¶ 78. Dean Shafer provides no facts indicating who allegedly has  
23 waived what. In fact, as pled, his Sixth Affirmative Defense is the epitome of mere  
24 "reference to a doctrine" that provides no notice of the basis for the defense.  
25 *Qarbon.com, Inc.*, 315 F. Supp. 2d at 1049. Again, this Court struck a nearly  
26 identical affirmative defense in *Federal Loan Modification*, determining that those  
27 defendants "merely reference the doctrine of implied waiver, which provides FTC  
28 with insufficient notice of the substantive defense." *FLM Order* at 2. Dean Shafer

1 surely does not claim that the FTC in some way has waived its right to pursue this  
2 case.

3 Moreover, to the extent this affirmative defense might suggest that Dean  
4 Shafer is somehow absolved of liability by waiver of some unspecified right by an  
5 unidentified consumer, “[t]he FTC’s authority to bring an action under section  
6 13(b) of the FTC Act is not derived from the defendants’ contracts with individual  
7 consumers.” *FTC v. Bronson Partners, LLC*, No. 3:04CV1866, 2006 WL 197357,  
8 at \*2 (D. Conn. Jan. 25, 2006) (striking affirmative defense of waiver) (citing, *inter*  
9 *alia*, *FTC v. Figgie Int’l, Inc.*, 994 F.2d 595, 605 (9th Cir.1993); *FTC v. PMCS,*  
10 *Inc.*, 21 F. Supp. 2d 187, 190 (E.D.N.Y.1998)). Accordingly, the Court should  
11 strike Shafer’s Sixth Affirmative Defense.

12 **D. “Lacks of Justifiable [Consumer] Reliance” and Reservation of**  
13 **Affirmative Defenses are Not Proper Affirmative Defenses.**

14 Dean Shafer’s Fourth Affirmative Defense, that consumers lacked  
15 “justifiable reliance,” Ans. ¶ 76, is not a proper affirmative defense because he  
16 does not make an “assertion of facts and arguments that, if true, will defeat the  
17 plaintiff’s . . . claim, even if all the allegations in the complaint are true.” *FLM*  
18 *Order* at 2 (quoting BLACK’S LAW DICTIONARY (8th ed. 2004)). In short, the  
19 purpose of his Fourth Affirmative Defense is simply to deny, not defeat, the  
20 allegations that the FTC makes in the Complaint. “When we are asking whether a  
21 particular defense is an affirmative defense, what we are really asking is whether  
22 that defense is adequately asserted merely by denying the allegations made in the  
23 complaint, or whether more is required.” *Sterten v. Option One Mortgage Corp.*,  
24 546 F.3d 278, 284 (3d Cir. 2008).

25 The Complaint alleges that the Defendants engaged in deceptive acts or  
26 practices. Compl. ¶¶ 60-70. It is well-settled that a representation is deceptive if  
27 “(1) there is a representation, omission or practice that (2) is likely to mislead  
28 consumers acting reasonably under the circumstances, and (3) the representation,

1 omission or practice is material.” *See, e.g., FTC v. Gill*, 71 F. Supp. 2d 1030, 1037  
2 n.7 (C.D. Cal. 1999); *see also FTC v. Minuteman Press*, 53 F. Supp. 2d 248, 262  
3 (E.D.N.Y. 1998). To the extent that Dean Shafer alleges that consumers did not  
4 justifiably rely on the representations alleged in the Complaint, he is merely  
5 denying that consumers acted reasonably under the circumstances, an element of  
6 deception. Thus, as this Court determined in *Federal Loan Modification* when  
7 striking an nearly identically worded affirmative defense, merely denying this  
8 allegation is not an affirmative defense. *FLM* Order at 3 (“Defendants’ assertion of  
9 ‘Lack of Justifiable Reliance’ simply recasts its denial of the FTC’s allegation that  
10 consumers acted reasonably in response to Defendants’ representations under the  
11 circumstances, which is an element of the FTC’s claim.”). Accordingly, the Fourth  
12 Affirmative Defense of “Lacks of Justifiable Reliance” is redundant, immaterial  
13 and should be struck.

14 Dean Shafer’s Eighth Affirmative Defense, which purports to reserve the  
15 right to raise additional affirmative defenses, is not proper, and should be struck.  
16 Ans. ¶ 80. Courts repeatedly have recognized that reserving the right to raise  
17 additional affirmative defenses serves no purpose. *See, e.g., Calabrese v. CSC*  
18 *Holdings, Inc.*, No. V 02-5171, 2006 WL 544394, at \*6 (E.D.N.Y. Mar. 6, 2006)  
19 (striking reservation of rights to raise additional affirmative defenses because  
20 “such assertions do nothing to achieve the purpose of a proper pleading, which is  
21 to provide fair notice to opposing parties of the issues in the case”); *Reis Robotics*  
22 *USA, Inc. v. Concept Indus., Inc.*, 462 F. Supp. 2d 897, 907 (N.D. Ill. 2006)  
23 (striking reservation of rights to add additional affirmative defenses, and noting  
24 that such reservation “is not a proper affirmative defense”); *FTC v. Stefanichik*, No.  
25 C04-1852RSM, 2004 WL 5495267, at \*3 (W.D. Wash. Nov. 12, 2004) (striking  
26 reservation of rights to add affirmative defenses and agreeing that such a  
27 reservation “is no defense at all”). Further, the federal rules set forth the  
28 requirements of pleading affirmative defenses, FED. R. CIV. P. 8, 12, and no

1 provision permits a reservation of rights to add additional defense. Accordingly,  
2 Dean Shafer's Eighth Affirmative Defense should be struck.

3 **E. "No Joint and Several Liability" is Contradicted by Dean Shafer's**  
4 **Admission.**

5 Finally, Dean Shafer's Seventh Affirmative Defense of "No Joint and  
6 Several Liability," Ans. ¶ 79, should be struck because he specifically admitted  
7 these allegations in his Answer, *e.g., id.* ¶ 7. Indeed, joint and several liability as  
8 alleged in by the FTC, Compl. ¶ 10, is merely a consequence of the fact that Dean  
9 Shafer controlled and participated in the acts and practices of the corporate  
10 defendants and that the corporate defendants operated as a common enterprise, *id.*  
11 ¶ 7. Defendant cannot deny joint and several liability in his conclusory affirmative  
12 defense when he has admitted already to the underlying facts. *See supra* pp. 11-12.  
13 Thus, the Seventh Affirmative Defense of No Joint and Several Liability should be  
14 struck.

15 Furthermore, even if Dean Shafer had not so admitted, this Affirmative  
16 Defense only would have served to deny allegations in the FTC's Complaint, not to  
17 propose an alternative legal theory. This purported Affirmative Defense of "joint  
18 and several liability" does no more than dispute the FTC's allegation that the  
19 Defendants have operated as a common enterprise, Compl. ¶¶ 6-10, and that he  
20 "formulated, directed, controlled or participated in the acts and practices of  
21 Defendants." *id.* ¶ 7. This Court struck a nearly identically worded affirmative  
22 defense in *Federal Loan Modification* for "operat[ing] as a denial of FTC's claim  
23 that the Defendants operated as a common enterprise." *FLM* Order at 2-3. Thus,  
24 even without Dean Shafer's admission of such liability and its underlying facts, the  
25 Seventh Affirmative Defense should be stricken for being redundant and  
26 immaterial.

27 **II. DEAN SHAFER HAS NO RIGHT TO A JURY TRIAL**

28 Dean Shafer's demand for a jury trial should be denied pursuant to Federal

1 Rules of Civil Procedure 12(f) and 39(a)(2). No right to a jury trial exists for  
2 actions brought in equity such as the FTC’s action seeking preliminary and  
3 permanent injunctions. Rather, the Seventh Amendment provides for the right of a  
4 trial by jury only for “suits at common law.” Section 13(b) of the FTC Act  
5 authorizes the FTC to seek, and the district courts to grant, preliminary and  
6 permanent injunctions against practices that violate any of the laws enforced by the  
7 FTC.

8       The Seventh Amendment provides that “[i]n suits at common law . . . the  
9 right of trial by jury shall be preserved.” U.S. CONST. amend. VII. The Supreme  
10 Court has found that the Seventh Amendment requires a trial by jury only in cases  
11 analogous to suits brought in English law courts, not in cases analogous to 18th  
12 Century cases tried in courts of equity. *See Tull v. United States*, 481 U.S. 412,  
13 417 (1987).<sup>1</sup> To determine whether a statutory action is more similar to suits tried  
14 in courts of law than to suits tried in courts of equity, the Court must consider:  
15 (1) whether in 18th Century England, the suit would have been brought in a court  
16 of law or court of equity; and (2) whether the remedy sought is legal or equitable.  
17 *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989). Additionally, “the  
18 second stage of this analysis is more important than the first.” *Id.* Applying this  
19 test, Courts uniformly have found that the Seventh Amendment does not command  
20 jury trials for actions brought pursuant to Section 13 of the FTC Act. *See FTC v.*  
21 *Think All Publ’g, L.L.C.*, 564 F. Supp. 2d 663, 665 (E.D. Tex. 2008) (stating that  
22 “[t]he cases have unanimously held that the Seventh Amendment does not provide  
23 a right to a trial by jury in actions brought under Section 13(b)”); *see also FTC v.*  
24 *Seismic Entm’t Prods.*, 441 F. Supp. 2d 349, 353 (D.N.H. 2006); *FTC v. NorthEast*

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<sup>1</sup> The Court also noted that “[t]his analysis applies not only to common-law forms of actions, but also to causes of action created by congressional enactment.” *Tull*, 481 U.S. at 41.

1 *Telecomms., Ltd.*, No. 96-6081, 1997 WL 599357, at \*1 (S.D. Fla. June 23, 1997);  
2 *FTC v. Hang-Ups Art*, 1995 WL 914179, at \*1; *FTC v. Kitco, Inc.*, 612 F. Supp.  
3 1280, 1280-81 (D. Minn. 1985). Both the claims alleged and the relief sought  
4 render the FTC's action to be equitable in nature.

5 The FTC's request for injunctive relief is plainly an equitable cause of  
6 action: "[i]t has been assumed for decades that a suit for an injunction, whether by  
7 the Government or a private party, was anthesis of a suit 'at common law' in which  
8 the Seventh Amendment requires that the right to trial by jury 'shall be  
9 preserved.'" *SEC v. Commonwealth Chem. Secs., Inc.*, 574 F.2d 90, 95 (2d Cir.  
10 1978). Moreover, "[i]n 1791, when the Seventh Amendment became effective,  
11 injunctions both in England and in this country, were the business of courts of  
12 equity, not of courts of common law." *Id.*

13 The remedies sought by the FTC in this case also clearly are equitable in  
14 nature, and therefore do not invoke the right to a jury trial. Here, the FTC seeks  
15 injunctive relief as well as monetary relief in the form of restitution, disgorgement,  
16 and consumer redress. *See* Compl. at 17. As set forth above, an injunction is an  
17 equitable remedy. *See, e.g., Weinberger v. Romero-Barcelo*, 456 U.S. 305, 311  
18 (1982). The mere fact that the FTC seeks ancillary monetary relief in addition to  
19 injunctive relief does not remove the action from the province of equity. *See FTC*  
20 *v. H.N. Singer, Inc.*, 668 F.2d 1107, 1113 (9th Cir. 1982) (noting that "[when  
21 Congress] gave the district court authority to grant a permanent injunction against  
22 violations of any provision of law enforced by the Commission, [it] also gave the  
23 district court authority to grant any ancillary relief necessary to accomplish  
24 complete justice because it did not limit that traditional equitable power."); *see*  
25 *also United States v. Newman*, 144 F.3d 531, 541 (7th Cir. 1998) ("[H]istorically,  
26 restitution has been considered an equitable, remedial measure designed to prevent  
27 the unjust enrichment of wrong-doers."); *FTC v. Gem Merch. Corp.*, 87 F.3d 466,  
28 469 (11th Cir 1996) ("[A]mong the equitable powers of the court is the power to

1 grant restitution and disgorgement.”); *SEC v. Rind*, 991 F.2d 1486, 1493 (9th Cir.  
2 1993) (“The fact that disgorgement involves a claim for money does not detract  
3 from its equitable nature.”); *Commonwealth Chem. Secs., Inc.*, 574 F.2d at 95 (“A  
4 historic equitable remedy was the grant of restitution by which the defendant is  
5 made to disgorge ill-gotten gains or to restore the status quo, or to accomplish both  
6 objectives”) (quotation omitted).

7         Given the equitable nature of this action, and the equitable remedies sought  
8 by the FTC, Dean Shafer is not entitled to a jury trial. Thus, his demand for a jury  
9 trial should be denied.

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1 **CONCLUSION**

2 For these reasons, Plaintiff FTC respectfully requests that the Court strike  
3 Defendant Dean Shafer's affirmative defenses and deny his request for a jury trial.

4  
5 Dated: January 12, 2010

6 Respectfully submitted,

7  
8 Willard K. Tom  
9 General Counsel

10 /s/ Robert B. Mahini

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Attorneys for Plaintiff FTC

# ATTACHMENT A

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SACV 09-00401-CJC(MLGx)

Date: August 11, 2009

Title: FEDERAL TRADE COMMISSION. v. FEDERAL LOAN MODIFICATION LAW  
CENTER, LLP, ET AL.

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PRESENT:

**HONORABLE CORMAC J. CARNEY, UNITED STATES DISTRICT JUDGE**

Michelle Urie  
Deputy Clerk

N/A  
Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFF: ATTORNEYS PRESENT FOR DEFENDANT:

None Present

None Present

**PROCEEDINGS: (IN CHAMBERS) ORDER GRANTING PLAINTIFF'S  
MOTION TO STRIKE [filed 07/22/09]**

Having read and considered the papers presented by the parties, the Court finds this matter appropriate for disposition without a hearing. *See* FED. R. CIV. P. 78; LOCAL RULE 7-15. Accordingly, the hearing set for August 17, 2009 at 1:30 p.m. is hereby vacated and off calendar.

This action arises from a dispute between Plaintiff Federal Trade Commission (“FTC”) and Defendants Federal Loan Modification Law Center LLP (“FML”), Anz & Associates, and Nabile “Bill” Anz. In their answer, Defendants asserted several affirmative defenses. The FTC now moves to strike all of the affirmative defenses pleaded in Defendants’ answer. First, FTC moves to strike the affirmative defense of “Failure to State a Claim” as improperly pleaded. Second, the FTC moves to strike the affirmative defenses of “Fault of Others” and “Implied Waiver” as overly vague and improperly pleaded. Third, the FTC moves to strike the affirmative defenses of “No Joint and Several Liability” and “Lack of Justifiable Reliance” as improperly pleaded because they are not true affirmative defenses. Plaintiff’s Motion to Strike is GRANTED with respect to all affirmative defenses, and Defendants are given LEAVE TO AMEND the defenses of “Fault of Others” and “Implied Waiver.”

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SACV 09-00401-CJC(MLGx)

Date: August 11, 2009

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Pursuant to Federal Rule of Civil Procedure 12(f), the court may strike “any redundant, immaterial, impertinent, or scandalous matter.” FED. R. CIV. P. 12(f). The essential function of a Rule 12(f) motion is to “avoid the expenditure of time and money that must arise from litigating spurious issues by dispensing with those issues prior to trial.” *Fantasy, Inc. v. Fogerty*, 984 F.2d 1524, 1527 (9th Cir. 1993). However, motions to strike are typically viewed with disfavor because they are often used for purposes of delay, and because of the strong judicial policy favoring resolution on the merits. *RDF Media Ltd. v. Fox Broadcasting Co.*, 372 F. Supp. 2d 556, 566 (C.D. Cal. 2005). In reviewing a motion to strike, the court must view the pleadings under attack in the light most favorable to the pleader. *Lazar v. Trans Union LLC*, 195 F.R.D. 665, 669 (C.D. Cal. 2000).

Affirmative defenses are defined as a “defendant’s assertion of facts and arguments that, if true, will defeat the plaintiff’s . . . claim, even if all the allegations in the complaint are true.” BLACK’S LAW DICTIONARY (8th ed. 2004). Affirmative defenses are governed by the same pleading standard as complaints. *Qarbon.com Inc. v. eHelp Corp.*, 315 F. Supp. 2d 1046, 1049 (N.D. Cal. 2004). Further, a defense may be stricken if it does not provide fair notice of the basis of the defense. *Qarbon.com Inc.*, 315 F. Supp. 2d at 1049.

Here, the defense of failure to state a claim is not properly pleaded as an affirmative defense. Rather, whether Plaintiffs have failed to state a claim must be resolved in a motion to dismiss. Because failure to state a claim is not an affirmative defense, it is stricken.

Additionally, Defendants’ affirmative defenses of Fault of Others and Implied Waiver do not provide the FTC with fair notice of the grounds for the defenses. With respect to the defense of Implied Waiver, Defendants merely reference the doctrine of implied waiver, which provides FTC with insufficient notice of the substantive defense. Further, the answer fails to provide any factual basis for the defense of Implied Waiver. Similarly, the Defendants’ defense of Fault of Others does not identify the factual basis for the defense. Defendants make only a vague reference to the conduct, fault, and negligence of other persons or entities, which does not provide fair notice to Plaintiffs.

Finally, the defenses of “No Joint and Several Liability” and “Lack of Justifiable Reliance” are not properly pleaded as affirmative defenses. Defendants’ assertion of no

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**CIVIL MINUTES – GENERAL**

Case No. SACV 09-00401-CJC(MLGx)

Date: August 11, 2009

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joint and several liability operates as a denial of FTC's claim that the Defendants operated as a common enterprise, which has already been denied in the answer. Similarly, Defendants' assertion of "Lack of Justifiable Reliance" simply recasts its denial of the FTC's allegation that consumers acted reasonably in response to Defendants' representations under the circumstances, which is an element of the FTC's claim. Since these defenses are not properly construed as separate legal theories and instead serve as denials, they are improperly pleaded as affirmative defenses and will be stricken.

Concurrently with this motion, Defendants' counsel requested the Court's permission to withdraw as counsel, which was granted. Accordingly, Defendants have until October 12, 2009 to amend their answer consistent with this order. FTC has twenty days thereafter to file a responsive pleading.

imd

MINUTES FORM 11  
CIVIL-GEN

Initials of Deputy Clerk MU

# ATTACHMENT B

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12 Attorneys for Defendants  
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 13 LLP, ANZ & ASSOCIATES, PLC AND NABILE  
 "BILL" ANZ  
 14

15 UNITED STATES DISTRICT COURT  
 16 CENTRAL DISTRICT OF CALIFORNIA

18 FEDERAL TRADE COMMISSION,

19 Plaintiff,

20 v.

21 FEDERAL LOAN MODIFICATION  
 LAW CENTER, LLP, ET AL.,

22 Defendants.  
 23  
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Case No. SACV09-401 CJC (MLGx)

**DEFENDANTS FEDERAL LOAN  
 MODIFICATION LAW CENTER,  
 LLP, ANZ & ASSOCIATES, PLC  
 AND NABILE "BILL" ANZ'S  
 ANSWER TO FIRST AMENDED  
 COMPLAINT**

Judge: Hon. Cormac J. Carney

1 Defendants Federal Loan Modification Law Center, LLP (“FLM Law  
2 Center”), Anz & Associates, PLC (“Anz & Associates”) and Nabile “Bill” Anz  
3 (“Anz”) (collectively “Answering Defendants”) hereby submit, for themselves  
4 alone and no other party, their answer, to the First Amended Complaint of plaintiff  
5 Federal Trade Commission (the “FTC”):

6 1. Answering Defendants admit that the FTC purports to bring this action  
7 under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.  
8 § 53(b), to obtain temporary, preliminary, and permanent injunctive relief,  
9 rescission or reformation of contracts, restitution, disgorgement of ill-gotten  
10 monies, and other equitable relief. Answering Defendants, however, deny the  
11 merits of the claims asserted against them.

12 **JURISDICTION AND VENUE**

13 2. Answering Defendants admit that this Court has subject matter  
14 jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345 and 15 U.S.C. §§  
15 45(a) and 53(b). Answering Defendants, however, deny the merits of the claims  
16 asserted against them.

17 3. Answering Defendants admit that venue is proper in this district as to  
18 Answering Defendants, but deny having committed any wrongful acts upon which  
19 venue is allegedly based. Answering Defendants admit, on information and belief,  
20 that venue is proper in this district as to Venture Legal Support, PLC. Answering  
21 Defendants lack knowledge or information sufficient to form a belief regarding the  
22 truth of the allegations in paragraph 3 with respect to, LegalTurn, Inc., a.k.a. Legal  
23 Turn, Inc. (“Legal Turn”), Federal Loan Modifications, SBSC Corporation, also  
24 doing business as Federal Loan Modification, Boaz Minitzer, Jeffrey Broughton,  
25 Steven Oscherowitz and relief defendants Legal Turn, LLC and MGO Capital and  
26 therefore deny those allegations.

27 //

28 //

**PLAINTIFF**

1  
2 4. To the extent that paragraph 4 cites to provisions of the United States  
3 Code, those statutory provisions speak for themselves. Answering Defendants lack  
4 knowledge or information sufficient to form a belief regarding the truth of the  
5 remaining allegations in paragraph 4 and therefore deny those allegations.

6 5. Answering Defendants admit that FLM Law Center is a California  
7 limited liability law firm formerly known as Anz & Hilmoe, LLP and presently  
8 doing business as FLM Law Center and Federal Loan Modification Law Center.  
9 Answering Defendants further admit that FLM Law Center has, since December  
10 2008, offered its law firm services to help homeowners seek loan modifications,  
11 and has advertised and marketed these services throughout the United States.  
12 Answering Defendants further admit that FLM Law Center has clients both inside  
13 and outside of California and that those clients have paid a retainer fee to the law  
14 firm. Answering Defendants further admit that FLM Law Center transacts or has  
15 transacted business in the Central District of California. Except as expressly  
16 admitted, Answering Defendants deny all other allegations of paragraph 5.

17 6. Answering Defendants admit that Anz & Associates is a California  
18 professional law corporation with its principal place of business at 9460 Balboa  
19 Boulevard, Northridge, CA 91325. Answering Defendants further admit that Anz  
20 & Associates is a partner of FLM Law Center, which began offering its law firm  
21 services to help homeowners seek loan modifications in December 2008. Except as  
22 expressly admitted, Answering Defendants deny all other allegations of paragraph  
23 6.

24 7. Answering Defendants admit, on information and belief, that it is their  
25 understanding that Venture Legal Support, PLC is a California professional law  
26 corporation with its principal place of business at 9460 Balboa Boulevard,  
27 Northridge, CA 91325. Answering Defendants further admit, on information and  
28 belief, that it is their understanding that Venture Legal Support, PLC has transacted

1 business in the Central District of California. Except as expressly admitted,  
2 Answering Defendants deny all other allegations of paragraph 7.

3 8. Answering Defendants admit that it is their understanding that  
4 LegalTurn, Inc. is a management company and they further admit that LegalTurn  
5 has, in the past, acted as a manager of business services for FLM Law Center  
6 pursuant to a written management agreement, including arranging for the firm's  
7 billing, processing and refund services. Answering Defendants lack knowledge or  
8 information sufficient to form a belief regarding the truth of the other allegations in  
9 paragraph 7 and therefore deny the allegations. Except as expressly admitted,  
10 Answering Defendants deny all other allegations of paragraph 8.

11 9. Answering Defendants lack knowledge or information sufficient to  
12 form a belief regarding the truth of the allegations in paragraph 9 and therefore  
13 deny the allegations.

14 10. Answering Defendants lack knowledge or information sufficient to  
15 form a belief regarding the truth of the allegations in paragraph 10 and therefore  
16 deny the allegations.

17 11. Answering Defendants lack knowledge or information sufficient to  
18 form a belief regarding the truth of the allegations in paragraph 11 and therefore  
19 deny the allegations.

20 12. Defendant Anz admits that he is an attorney licensed in California and  
21 that he is a partner of Anz & Associates. Answering Defendants admit that Anz is  
22 the managing attorney of FLM Law Center and has been since December 2008.  
23 Answering Defendants further admit that Anz is a partner in Anz & Associates and  
24 that he transacts or has transacted business in the Central District of California.  
25 Except as expressly admitted, Answering Defendants deny all other allegations of  
26 paragraph 12.

27 13. Answering Defendants deny that Boaz Minitzer formulated, directed  
28 or directs, controlled or controls, or participated or participates in the acts and

1 practices of Answering Defendants. Answering Defendants lack knowledge or  
2 information sufficient to form a belief regarding the truth of the allegations in  
3 paragraph 10 and therefore deny all other allegations of paragraph 13.

4 14. Answering Defendants deny that Jeffrey Broughton formulated,  
5 directed or directs, controlled or controls, or participated or participates in the acts  
6 and practices of Answering Defendants. Answering Defendants lack knowledge or  
7 information sufficient to form a belief regarding the truth of the allegations in  
8 paragraph 11 and therefore deny all other allegations of paragraph 14.

9 15. Answering Defendants deny that Steven Oscherowitz is an executive  
10 of FLM Law Center and that he formulated, directed or directs, controlled or  
11 controls, or participated or participates in the acts and practices of Answering  
12 Defendants. Answering Defendants lack knowledge or information sufficient to  
13 form a belief regarding the truth of the allegations in paragraph 11 and therefore  
14 deny all other allegations of paragraph 15.

15 16. Answering Defendants lack knowledge or information sufficient to  
16 form a belief regarding the truth of the allegations in paragraph 16 and therefore  
17 deny the allegations.

18 17. Answering Defendants lack knowledge or information sufficient to  
19 form a belief regarding the truth of the allegations in paragraph 17 and therefore  
20 deny the allegations.

21 18. Answering Defendants deny the allegations in paragraph 18 with  
22 respect to Answering Defendants. Answering Defendants lack knowledge or  
23 information sufficient to form a belief regarding the truth of the allegations in  
24 paragraph 12 with respect to Venture Legal Support, PLC, Legal Turn, Federal  
25 Loan Modifications, SBSC Corporation, also doing business as Federal Loan  
26 Modification, Boaz Minitzer, Jeffrey Broughton, Steven Oscherowitz and relief  
27 defendants Legal Turn, LLC and MGO Capital (collectively, "Other Defendants")  
28 and therefore deny those allegations.

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**COMMERCE**

19. To the extent that paragraph 19 cites to provisions of the United States Code, those statutory provisions speak for themselves. Paragraph 19 calls for a legal interpretation and/or conclusion, and as Answering Defendants lack knowledge or information sufficient to form a belief regarding these legal interpretations and/or conclusions, they therefore deny the allegations of paragraph 19 with respect to Answering Defendants on that basis. Answering Defendants lack knowledge or information sufficient to form a belief regarding the truth of the allegations in paragraph 19 with respect to the Other Defendants and therefore deny those allegations.

**THE FEDERAL GOVERNMENT’S EFFORTS TO ASSIST**

**HOMEOWNERS**

20. The allegations of paragraph 20 are not addressed to Answering Defendants and, as such, Answering Defendants lack knowledge or information sufficient to form a belief regarding the truth of the allegations in paragraph 20 and therefore deny those allegations. However, Answering Defendants admit that there is a national mortgage crisis and that the federal government has introduced one or more programs purported to address mortgage loan modification.

21. The allegations of paragraph 21 are not addressed to Answering Defendants and, as such, Answering Defendants lack knowledge or information sufficient to form a belief regarding the truth of the allegations in paragraph 21 and therefore deny those allegations. However, Answering Defendants admit that the federal government has introduced programs intended to address mortgage loan modification.

22. The allegations of paragraph 22 are not addressed to Answering Defendants and, as such, Answering Defendants lack knowledge or information sufficient to form a belief regarding the truth of the allegations in paragraph 22 and therefore deny those allegations.

**DEFENDANTS' BUSINESS PRACTICES**

1  
2 23. With respect to the allegations directed to Answering Defendants,  
3 Answering Defendants admit: (i) that FLM Law Center began offering and  
4 advertising its law firm services to help homeowners seek loan modifications in  
5 December 2008; (ii) that FLM Law Center has used the phrase “Federal Loan  
6 Modification” in its marketing materials; (iii) that FLM Law Center is not affiliated  
7 with or endorsed by the federal government; (iv) that FLM Law Center’s services  
8 were marketed to homeowners having difficulty with their mortgages; and (v) that  
9 FLM Law Center has charged a retainer fee which has varied in amount, including  
10 between \$1,000 and \$3,000. Answering Defendants lack knowledge or information  
11 sufficient to form a belief regarding the truth of the allegations in paragraph 23 with  
12 respect to the Other Defendants and therefore deny those allegations. Except as  
13 expressly admitted, Answering Defendants deny all other allegations of paragraph  
14 23.

15 24. With respect to the allegations directed to Answering Defendants,  
16 Answering Defendants admit: (i) that, after December 1, 2008, FLM Law Center  
17 conducted national advertising through television, radio and the internet for the law  
18 firm’s services; (ii) that these advertisements have appeared on national television  
19 and cable networks, and aired on nationwide radio stations; and (iii) that these  
20 advertisements have featured a toll-free number and a website address. Answering  
21 Defendants lack knowledge or information sufficient to form a belief regarding the  
22 truth of the allegations in paragraph 24 with respect to the Other Defendants and  
23 therefore deny those allegations. Except as expressly admitted, Answering  
24 Defendants deny all other allegations of paragraph 24.

25 25. With respect to the allegations directed to Answering Defendants,  
26 Answering Defendants admit that, after December 1, 2008, FLM Law Center ran  
27 radio advertisements that included the use of the word “federal” and the phrase  
28 “loan modification.” Answering Defendants lack knowledge or information

1 sufficient to form a belief regarding the truth of the allegations of paragraph 25 with  
2 respect to the Other Defendants and therefore deny those allegations. Exhibits 1, 2,  
3 and 3 speak for themselves. Except as expressly admitted, Answering Defendants  
4 deny all other allegations of paragraph 25.

5         26. With respect to the allegations directed to Answering Defendants,  
6 Answering Defendants: (i) admit that FLM Law Center's policy has always been to  
7 include a disclaimer in all advertising, including its radio advertisements; (ii) deny  
8 that the disclaimer is difficult to comprehend; (iii) admit that some of the  
9 disclaimers appear in the beginning of the radio advertisements; and (iv) lack  
10 knowledge or information to form a belief regarding the allegations concerning  
11 placement, speed and volume of each of those disclaimers. Answering Defendants  
12 lack knowledge or information sufficient to form a belief regarding the truth of the  
13 allegations in paragraph 26 with respect to the Other Defendants and therefore deny  
14 those allegations. Except as expressly admitted, Answering Defendants deny all  
15 other allegations of paragraph 26.

16         27. With respect to the allegations directed to Answering Defendants,  
17 Answering Defendants admit that, after December 1, 2008, FLM Law Center used  
18 the website [www.fedmod.com](http://www.fedmod.com), which has included pages in English and Spanish,  
19 that the website had referenced the phone number 877-39-HOUSE, that the website  
20 has used the phrases "free" and/or "no obligation," and that the website has  
21 included a form which a person may submit to be contacted by FLM Law Center.  
22 Answering Defendants lack knowledge or information sufficient to form a belief  
23 regarding the truth of the allegations in paragraph 27 with respect to the Other  
24 Defendants and therefore deny those allegations. Except as expressly admitted,  
25 Answering Defendants deny all other allegations of paragraph 27.

26         28. Answering Defendants admit that the statement quoted in paragraph 28  
27 has appeared in a rotating format at the top of the [www.fedmod.com](http://www.fedmod.com) website.

28         29. Answering Defendants admit that the [www.fedmod.com](http://www.fedmod.com) website has

1 included the statements alleged in items (a) and (b) of paragraph 29 but otherwise  
2 deny the allegations of paragraph 29 as to Answering Defendants. Answering  
3 Defendants lack knowledge or information sufficient to form a belief regarding the  
4 truth of the allegations in paragraph 29 with respect to the Other Defendants and  
5 therefore deny those allegations. Except as expressly admitted, Answering  
6 Defendants deny all other allegations of paragraph 29.

7 30. Answering Defendants admit that the [www.fedmod.com](http://www.fedmod.com) website has  
8 contained a hyperlink to a web log at [www.keepmyhouse.com](http://www.keepmyhouse.com). Answering  
9 Defendants lack knowledge or information sufficient to form a belief regarding the  
10 truth of the remaining allegations in paragraph 30 and therefore deny those  
11 allegations. Except as expressly admitted, Answering Defendants deny all other  
12 allegations of paragraph 30.

13 31. Answering Defendants lack knowledge or information sufficient to  
14 form a belief regarding the truth of the allegations in paragraph 31 and therefore  
15 deny those allegations.

16 32. With respect to the allegations directed to Answering Defendants,  
17 Answering Defendants admit that some people calling the toll-free numbers  
18 provided in FLM Law Center's advertising have spoken speak with an FLM Law  
19 Center employee, and that FLM Law Center employees have called people who  
20 requested a call by submitting a form via the FLM Law Center website. Answering  
21 Defendants lack knowledge or information sufficient to form a belief regarding the  
22 truth of the allegations in paragraph 32 with respect to the Other Defendants and  
23 therefore deny those allegations. Except as expressly admitted, Answering  
24 Defendants deny all other allegations of paragraph 32.

25 33. With respect to the allegations directed to Answering Defendants,  
26 Answering Defendants admit that during informational calls, FLM Law Center  
27 employees asked some people for information, including details relating to their  
28 mortgages and income, but deny that FLM Law Center employees often tell

1 consumers they are prime candidates for a loan modification. Answering  
2 Defendants lack knowledge or information sufficient to form a belief regarding the  
3 truth of the allegations in paragraph 33 with respect to the Other Defendants and  
4 therefore deny those allegations. Except as expressly admitted, Answering  
5 Defendants deny all other allegations of paragraph 33.

6 34. With respect to the allegations directed to Answering Defendants,  
7 Answering Defendants deny the allegations in Paragraph 34. Answering  
8 Defendants lack knowledge or information sufficient to form a belief regarding the  
9 truth of the allegations in paragraph 34 with respect to the Other Defendants and  
10 therefore deny those allegations.

11 35. With respect to the allegations directed to Answering Defendants,  
12 Answering Defendants deny the allegations in Paragraph 35. Answering  
13 Defendants lack knowledge or information sufficient to form a belief regarding the  
14 truth of the allegations in paragraph 35 with respect to the Other Defendants and  
15 therefore deny those allegations.

16 36. With respect to the allegations directed to Answering Defendants,  
17 Answering Defendants deny the allegations in Paragraph 36. Answering  
18 Defendants lack knowledge or information sufficient to form a belief regarding the  
19 truth of the allegations in paragraph 36 with respect to the Other Defendants and  
20 therefore deny those allegations.

21 37. With respect to the allegations directed to Answering Defendants,  
22 Answering Defendants admit that, in the past, FLM Law Center has charged a  
23 retainer fee and that some people were told that the clients of the firm must pay at  
24 least a portion of the retainer fee at or prior to the time of engagement. Answering  
25 Defendants lack knowledge or information sufficient to form a belief regarding the  
26 truth of the allegations in paragraph 37 with respect to the Other Defendants and  
27 therefore deny those allegations. Except as expressly admitted, Answering  
28 Defendants deny all other allegations of paragraph 37.

1           38. With respect to the allegations directed to Answering Defendants,  
2 Answering Defendants admit that FLM Law Center employees have told people  
3 that FLM Law Center's practice is to provide a full refund of paid fees if requested  
4 prior to the law firm obtaining a loan modification on behalf of that person.  
5 Answering Defendants further admit that this has always been FLM Law Center's  
6 practice. Answering Defendants lack knowledge or information sufficient to form a  
7 belief regarding the truth of the allegations in paragraph 38 with respect to the  
8 Other Defendants and therefore deny those allegations. Except as expressly  
9 admitted, Answering Defendants deny all other allegations of paragraph 38.

10           39. With respect to the allegations directed to Answering Defendants,  
11 Answering Defendants deny the allegations in Paragraph 39. Answering  
12 Defendants lack knowledge or information sufficient to form a belief regarding the  
13 truth of the allegations in paragraph 39 with respect to the Other Defendants and  
14 therefore deny those allegations.

15           40. With respect to the allegations directed to Answering Defendants,  
16 Answering Defendants deny the allegations in Paragraph 40. Answering  
17 Defendants lack knowledge or information sufficient to form a belief regarding the  
18 truth of the allegations in paragraph 40 with respect to the Other Defendants and  
19 therefore deny those allegations.

20           41. With respect to the allegations directed to Answering Defendants,  
21 Answering Defendants admit that FLM Law Center has not always been able to  
22 obtain a mortgage loan modification in every case. Answering Defendants lack  
23 knowledge or information sufficient to form a belief regarding the truth of the  
24 allegation that some of FLM Law Center's clients have obtained mortgage loan  
25 modifications and avoided foreclosure solely through their own efforts and not  
26 because of services provided by FLM Law Center and, on that basis, deny that  
27 allegation. Answering Defendants lack knowledge or information sufficient to  
28 form a belief regarding the truth of the allegations in paragraph 41 with respect to

1 the Other Defendants and therefore deny those allegations. Except as expressly  
2 admitted, Answering Defendants deny all other allegations of paragraph 41.

3 42. With respect to the allegations directed to Answering Defendants,  
4 Answering Defendants deny the allegations in Paragraph 42. Answering  
5 Defendants lack knowledge or information sufficient to form a belief regarding the  
6 truth of the allegations in paragraph 42 with respect to the Other Defendants and  
7 therefore deny those allegations.

8 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

9 43. To the extent that paragraph 43 cites to provisions of the United States  
10 Code, those statutory provisions speak for themselves. Paragraph 43 calls for a  
11 legal interpretation and/or conclusion, and as Answering Defendants lack  
12 knowledge or information sufficient to form a belief regarding these legal  
13 interpretations and/or conclusions, on that basis they deny the allegations of  
14 paragraph 43.

15 44. To the extent that paragraph 44 cites to provisions of the United States  
16 Code, those statutory provisions speak for themselves. Paragraph 44 calls for a  
17 legal interpretation and/or conclusion, and as Answering Defendants lack  
18 knowledge or information sufficient to form a belief regarding these legal  
19 interpretations and/or conclusions, on that basis they deny the allegations of  
20 paragraph 44.

21 **Count I**

22 45. With respect to the allegations directed to Answering Defendants,  
23 Answering Defendants deny the allegations of paragraph 45. Answering  
24 Defendants lack knowledge or information sufficient to form a belief regarding the  
25 truth of the allegations in paragraph 45 with respect to the Other Defendants and  
26 therefore deny those allegations.

27 46. With respect to the allegations directed to Answering Defendants,  
28 Answering Defendants admit that FLM Law Center has not always been able to

1 obtain a mortgage loan modification in every case. Answering Defendants lack  
2 knowledge or information sufficient to form a belief regarding the truth of the  
3 allegations in paragraph 46 with respect to the Other Defendants and therefore deny  
4 those allegations. Except as expressly admitted, Answering Defendants deny all  
5 other allegations of paragraph 46.

6 47. With respect to the allegations directed to Answering Defendants,  
7 Answering Defendants deny the allegations of paragraph 47. Answering  
8 Defendants lack knowledge or information sufficient to form a belief regarding the  
9 truth of the allegations in paragraph 47 with respect to the Other Defendants and  
10 therefore deny those allegations.

11 **Count II**

12 48. With respect to the allegations directed to Answering Defendants,  
13 Answering Defendants deny the allegations of paragraph 48. Answering  
14 Defendants lack knowledge or information sufficient to form a belief regarding the  
15 truth of the allegations in paragraph 48 with respect to the Other Defendants and  
16 therefore deny those allegations.

17 49. With respect to the allegations directed to Answering Defendants,  
18 Answering Defendants admit that Answering Defendants are not affiliated with or  
19 endorsed by the federal government or a federal government program. Answering  
20 Defendants lack knowledge or information sufficient to form a belief regarding the  
21 truth of the allegations in paragraph 49 with respect to the Other Defendants and  
22 therefore deny those allegations.

23 50. With respect to the allegations directed to Answering Defendants,  
24 Answering Defendants deny the allegations of paragraph 50. Answering  
25 Defendants lack knowledge or information sufficient to form a belief regarding the  
26 truth of the allegations in paragraph 50 with respect to the Other Defendants and  
27 therefore deny those allegations.

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**CONSUMER INJURY**

51. With respect to the allegations directed to Answering Defendants, Answering Defendants deny the allegations of paragraph 51. Answering Defendants lack knowledge or information sufficient to form a belief regarding the truth of the allegations in paragraph 51 with respect to the Other Defendants and therefore deny those allegations.

**THIS COURT’S POWER TO GRANT RELIEF**

52. To the extent that paragraph 52 cites to provisions of the United States Code, those statutory provisions speak for themselves. Paragraph 52 calls for a legal interpretation and/or conclusion, and as Answering Defendants lack knowledge or information sufficient to form a belief regarding these legal interpretations and/or conclusions, on that basis they deny the allegations of paragraph 52.

**AFFIRMATIVE DEFENSES**

**First Affirmative Defense**

**(Failure to State a Claim)**

53. As a separate defense, Answering Defendants allege that the Complaint fails to state a claim upon which relief may be granted.

**Second Affirmative Defense**

**(Fault of Others)**

54. As a separate defense, Answering Defendants allege that any and all damages and injury alleged in the Complaint, if any, were caused, if at all, in whole or in part, by the conduct, fault and/or negligence of persons or entities other than Answering Defendants, including but not limited to Other Defendants.

**Third Affirmative Defense**

**(Lack of Justifiable Reliance)**

55. As a separate defense, Answering Defendants allege that each count alleged in the Complaint, insofar as it seeks money damages, fails in whole or in

1 part for lack of justifiable reliance on the part of consumers.

2 **Fourth Affirmative Defense**

3 **(Implied Waiver)**

4 56. As a separate defense, the Answering Defendants allege that each  
5 count alleged in the Complaint, insofar as it seeks monetary relief, fails in whole or  
6 in part due to the doctrine of implied waiver.

7 **Fifth Affirmative Defense**

8 **(No Joint and Several Liability)**

9 57. As a separate defense, the Answering Defendants allege that the  
10 allegations of the Complaint fail to state facts sufficient to establish a common  
11 enterprise or otherwise justify imposition of joint and several liability. Among  
12 other things, Answering Defendants had neither the requisite intent or mental state  
13 for joint and several liability, nor the requisite control over co-defendants to  
14 establish a common enterprise.

15 **PRAYER FOR RELIEF**

16 **WHEREFORE**, Answering Defendants pray that this Court enter judgment  
17 in their favor and against the FTC as follows:

18 1. The FTC is awarded no further preliminary injunctive and ancillary  
19 relief as to Answering Defendants;

20 2. The FTC is awarded no permanent injunction as to Answering  
21 Defendants;

22 3. No other relief against Answering Defendants is awarded, including  
23 but not limited to rescission or reformation of contracts, restitution, the refund on  
24 monies paid and the disgorgement of ill-gotten monies;

25 4. The FTC is not awarded the costs of bringing the Complaint or any  
26 other additional relief; and

27 5. The Complaint against Answering Defendants is dismissed with  
28 prejudice.



1 **CERTIFICATE OF SERVICE**

2 I, Katherine Redding, certify as follows:

3 I am over the age of 18 and am employed by the Federal Trade Commission. My  
4 business address is 600 Pennsylvania Avenue, NW, Mail Stop NJ-3158,  
Washington, DC 20580.

5 On January 12, 2010, I caused the attached document entitled “MEMORANDUM  
6 OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF’S MOTION  
7 TO STRIKE DEAN SHAFER’S AFFIRMATIVE DEFENSES AND DENY HIS  
REQUEST FOR JURY TRIAL” to be served, by the following means, on the  
following individuals:

8 By Agreement for Email Service

9 Dean Shafer  
10 & Loss Mitigation Services, Inc.  
11 [Street address omitted  
per L.R. 79-5.4]  
12 Newport Coast, CA 92657  
deanshafer2004@yahoo.com

13 *Defendants Pro Se*

14 Marion Anthony (“Tony”) Perry  
15 [Street address omitted  
per L.R. 79-5.4]  
16 Fountain Valley, CA

17 *Defendant Pro Se*

18 Bernadette Perry  
19 [Street address omitted  
per L.R. 79-5.4]  
20 Laguna Woods, CA

21 *Defendant Pro Se; Registered  
Agent for Synergy Financial  
22 Management Corporation*

By Overnight Delivery and Email

Brick Kane  
Robb Evans & Associates, LLC  
11450 Sheldon Street  
Sun Valley, CA 91352-1121  
brick\_kane@robbevans.com

*Receiver for Defendant Loss  
Mitigation Services, Inc.*

Gary O. Caris  
McKenna Long & Aldridge, LLP  
300 South Grand Avenue, 14<sup>th</sup> Floor  
Los Angeles, CA 90071-3124  
gcaris@mckennalong.com

*Counsel for Receiver  
Robb Evans & Associates, LLC*

Michael A. Brewer  
Hornberger & Brewer, LLP  
444 South Flower Street  
Suite 3010  
Los Angeles, CA 90071  
mbrewer@hgblaw.com

*Counsel for Intervenor TK Global  
Partners, LP*

23  
24  
25 I declare under penalty of perjury that the foregoing is true and correct.

26 Dated: January 12, 2010

27 /s/ Katherine Redding  
28 Katherine Redding

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

Federal Trade Commission,

Plaintiff,

v.

Loss Mitigation Services, Inc., et al.

Defendants.

) Case No. SACV09-800 DOC (ANx)

) **STIPULATION BY DEFENDANT  
DEAN SHAFER FOR ENTRY OF  
FINAL ORDER FOR  
PERMANENT INJUNCTION AND  
SETTLEMENT OF CLAIMS AS  
TO DEFENDANT DEAN SHAFER**

) Judge: Hon. David O. Carter

20 Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on  
21 July 13, 2009, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to obtain  
22 preliminary and permanent injunctive and other equitable relief for Defendants’  
23 violations of Section 5 of the FTC Act, 15 U.S.C. § 45, in connection with the  
24 marketing and sale of mortgage loan modification and foreclosure relief services.  
25 The Court entered a Temporary Restraining Order as to all parties on July 20, 2009  
26 (“TRO”) [Docket Itm. #14], a Preliminary Injunction Order as to Defendants Loss  
27 Mitigation Services, Inc. (“LMS”) and Synergy Financial Management Corporation,  
28 also d/b/a Direct Lender and DirectLender.com (“Synergy” or “Direct Lender”) on

1 August 18, 2009 [Docket Itm. #41], a Preliminary Injunction Order as to Bernadette  
2 Perry (a.k.a. Bernadette Carr and Bernadette Carr-Perry) and Marion Anthony (a.k.a.  
3 “Tony”) Perry on August 19, 2009 [Docket Itm. #43], and a Preliminary Injunction  
4 Order as to Dean Shafer on August 19, 2009 [Docket Itm. #44] (“Shafer PI Order”).

5 The TRO in this case enjoined Defendant Dean Shafer from, among other  
6 things, collecting advance fees from consumers, and making certain representations  
7 about Defendants’ services. The TRO also contained an asset freeze. The Shafer PI  
8 Order enjoined Defendant Dean Shafer from, among other things, collecting advance  
9 fees from consumers, and collecting payments from consumers for services prior to  
10 the date of the Shafer PI Order. The Shafer PI Order continued the asset freeze from  
11 the TRO, and provided certain allowances, such as reasonable and necessary living  
12 expenses.

13 Plaintiff FTC and Defendant *Pro Se* Dean Shafer have now stipulated to entry  
14 a Final Order for Permanent Injunction and Settlement of Claims as to Defendant  
15 Dean Shafer with the following terms:

### 16 FINDINGS

17 1. This is an action by the FTC brought pursuant to Sections 5 and 13(b)  
18 of the FTC Act, 15 U.S.C. §§ 45 and 53(b). The Complaint seeks both permanent  
19 injunctive relief and consumer redress for the Defendants’ alleged deceptive acts or  
20 practices in connection with the marketing and sale of mortgage loan modification  
21 and foreclosure relief services.

22 2. The FTC has authority under Section 13(b) of the FTC Act to seek the  
23 relief it has requested, and the Complaint states a claim upon which relief can be  
24 granted against the Defendants.

25 3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
26 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a) and 53(b) and has jurisdiction over  
27 the Defendants. Venue in the Central District of California is proper.



1           2.     “**Credit**” means the right granted by a creditor to a debtor to defer  
2 payment of debt or to incur debt and defer its payment.

3           3.     “**Debt relief service**” means any service, including debt management  
4 plans, debt settlement, debt negotiation, and for-profit credit counseling,  
5 represented, expressly or by implication, to renegotiate, settle, or in any way alter the  
6 terms of payment or other terms of the debt between a consumer and one or more  
7 unsecured creditors, servicers, or debt collectors, including but not limited to, a  
8 reduction in the balance, interest rate, or fees owed by a consumer to an unsecured  
9 creditor, servicer, or debt collector.

10          4.     “**Defendants**” means, individually, collectively, or in any combination:  
11 (a) Loss Mitigation Services, Inc. (“LMS”); (b) Synergy Financial Management  
12 Corporation, also d/b/a Direct Lender and Direct Lender.com (“Direct Lender”); (c)  
13 Dean Shafer; (D) Bernadette Perry (a.k.a Bernadette Carr and Bernadette Carr-Perry)  
14 and (E) Marion Anthony (a.k.a. “Tony”) Perry. “**Corporate Defendants**” means,  
15 individually or collectively: (a) LMS; and (b) Direct Lender.

16          5.     “**Financial related good or service**” means any good, service, plan, or  
17 program that is represented, expressly or by implication, to (A) provide any  
18 consumer, arrange for any consumer to receive, or assist any consumer in receiving,  
19 credit, debit, or stored value cards; (B) improve, or arrange to improve, any  
20 consumer’s credit record, credit history, or credit rating; (C) provide advice or  
21 assistance to any consumer with regard to any activity or service the purpose of  
22 which is to improve a consumer’s credit record, credit history, or credit rating; (D)  
23 provide any consumer, arrange for any consumer to receive, or assist any consumer  
24 in receiving, a loan or other extension of credit; (E) provide any consumer, arrange  
25 for any consumer to receive, or assist any consumer in receiving, debt relief services;  
26 (F) provide any consumer, arrange for any consumer to receive, or assist any  
27 consumer in receiving any service represented, expressly or by implication, to  
28

1 renegotiate, settle, or in any way alter the terms of payment or other terms of the debt  
2 between a consumer and one or more secured creditors, servicers, or debt collectors.

3         6.       “***Federal homeowner relief or financial stability program***” means any  
4 program (including its sponsoring agencies, telephone numbers, and Internet  
5 websites) operated or endorsed by the United States government to provide relief to  
6 homeowners or stabilize the economy, including but not limited to (A) the Making  
7 Home Affordable Program; (B) the Financial Stability Plan; (C) the Troubled Asset  
8 Relief Program and any other program sponsored or operated by the United States  
9 Department of the Treasury; (D) the HOPE for Homeowners program, any program  
10 operated or created pursuant to the Helping Families Save Their Homes Act, and any  
11 other program sponsored or operated by the Federal Housing Administration; or (E)  
12 any program sponsored or operated by the United States Department of Housing and  
13 Urban Development (“HUD”), the HOPE NOW Alliance, the Homeownership  
14 Preservation Foundation, or any other HUD-approved housing counseling agency.

15         7.       “***Material fact***” means any fact that is likely to affect a person’s choice  
16 of, or conduct regarding, goods or services.

17         8.       “***Mortgage loan modification or foreclosure relief service***” means any  
18 good, service, plan, or program that is represented, expressly or by implication, to  
19 assist a consumer in any manner to (A) stop, prevent, or postpone any home  
20 mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of  
21 any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance from  
22 any mortgage loan holder or servicer; (D) exercise any right of reinstatement of any  
23 residential mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any  
24 extension of the period within which the owner of property sold at foreclosure may  
25 cure his or her default or reinstate his or her obligation; (F) obtain any waiver of an  
26 acceleration clause contained in any promissory note or contract secured by a deed of  
27 trust or mortgage on a residence in foreclosure or contained in that deed of trust; (G)

1 obtain a loan or advance of funds that is connected to the consumer's home  
2 ownership; (H) avoid or ameliorate the impairment of the consumer's credit record,  
3 credit history, or credit rating that is connected to the consumer's home ownership;  
4 (I) save the consumer's residence from foreclosure; (J) assist the consumer in  
5 obtaining proceeds from the foreclosure sale of the consumer's residence; (K) obtain  
6 or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (L) obtain  
7 or arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of  
8 trust, or mortgage; (M) audit or examine a consumer's mortgage or home loan  
9 application; or (N) obtain, arrange, or attempt to obtain or arrange any extension of  
10 the period within which the renter of property sold at foreclosure may continue to  
11 occupy the property. The foregoing shall include any manner of claimed assistance,  
12 including, but not limited to, debt, credit, budget, or financial counseling; receiving  
13 money for the purpose of distributing it to creditors; contacting creditors or servicers  
14 on behalf of the consumer; and giving advice of any kind with respect to filing for  
15 bankruptcy.

16 9. "**Person**" means a natural person, organization, or other legal entity,  
17 including a corporation, partnership, proprietorship, association, cooperative, or any  
18 other group or combination acting as an entity.

19 10. "**Servicer**" means any beneficiary, mortgagee, trustee, loan servicer,  
20 loan holder, or any entity performing loan or credit account administration or  
21 processing services and/or its authorized agents.

## 22 **ORDER**

### 23 **BAN ON MORTGAGE LOAN MODIFICATION AND FORECLOSURE**

#### 24 **RELIEF SERVICES**

25 **I. IT IS THEREFORE ORDERED** that Defendant Dean Shafer, whether  
26 acting directly or through any other person, is permanently restrained and enjoined  
27 from  
28

1           A.    Advertising, marketing, promoting, offering for sale, or selling any  
2 mortgage loan modification or foreclosure relief service; and

3           B.    Assisting others engaged in advertising, marketing, promoting, offering  
4 for sale, or selling any mortgage loan modification or foreclosure relief service.

5                   **PROHIBITED REPRESENTATIONS RELATING TO FINANCIAL**  
6                   **RELATED GOODS AND SERVICES**

7 **II.   IT IS FURTHER ORDERED** that Defendant Dean Shafer and his  
8 successors, assigns, officers, agents, servants, employees, and attorneys, and those  
9 persons or entities in active concert or participation with any of them who receive  
10 actual notice of this Order by personal service, facsimile transmission, email, or  
11 otherwise, whether acting directly or through any corporation, subsidiary, division,  
12 or other device, in connection with the advertising, marketing, promotion, offering  
13 for sale or sale of any financial related good or service, are hereby permanently  
14 restrained and enjoined from:

15           A.    Misrepresenting or assisting others in misrepresenting, expressly or by  
16 implication, any material fact, including but not limited to:

17                   1.    The terms or rates that are available for any loan or other  
18 extension of credit, including but not limited to:

19                           (a)   closing costs or other fees;  
20                           (b)   the payment schedule, the monthly payment amount(s), or  
21 other payment terms, or whether there is a balloon payment; interest rate(s), annual  
22 percentage rate(s), or finance charge; the loan amount, the amount of credit, the draw  
23 amount, or outstanding balance; the loan term, the draw period, or maturity; or any  
24 other term of credit;

25                           (c)   the savings associated with the credit;

1 (d) the amount of cash to be disbursed to the borrower out of  
2 the proceeds, or the amount of cash to be disbursed on behalf of the borrower to any  
3 third parties;

4 (e) whether the payment of the minimum amount specified  
5 each month covers both interest and principal, and whether the credit has or can  
6 result in negative amortization;

7 (f) that the credit does not have a prepayment penalty or that  
8 no prepayment penalty and/or other fees or costs will be incurred if the consumer  
9 subsequently refinances; and

10 (g) that the interest rate(s) or annual percentage rate(s) are  
11 fixed rather than adjustable or adjustable rather than fixed;

12 2. That any person can improve any consumer's credit record, credit  
13 history, or credit rating by permanently removing negative information from the  
14 consumer's credit record, credit history, or credit rating, even where such  
15 information is accurate and not obsolete;

16 3. Any person's ability to improve or otherwise affect a consumer's  
17 credit record, credit history, or credit rating or ability to obtain credit;

18 4. Any aspect of any debt relief service, including but not limited to,  
19 the amount of savings a consumer will receive from purchasing, using, or enrolling  
20 in such debt relief service; the amount of time before which a consumer will receive  
21 settlement of the consumer's debts; or the reduction or cessation of collection calls;  
22 and

23 5. That a consumer will receive legal representation;

24 B. Advertising or assisting others in advertising credit terms other than  
25 those terms that actually are or will be arranged or offered by a creditor or lender.





1 a. Bank of America shall transfer to the FTC or its designated  
2 agent all cash and other assets currently held in account number xxxx2387;

3 b. Wells Fargo shall transfer to the FTC or its designated  
4 agent all cash and other assets currently held in account numbers xxxx3374;

5 c. Wachovia shall transfer to the FTC or its designated agent  
6 all cash and other assets currently held in account number xxxx0406;

7 d. JP Morgan Chase shall transfer to the FTC or its designated  
8 agent all cash and other assets currently held in account number xxxx7409;

9 e. Merrill Lynch shall transfer to the FTC or its designated  
10 agent all cash and assets (including but not limited to liquidating all holdings and  
11 transferring the proceeds of such liquidation) currently held in account numbers  
12 xxxx9S70 and xxxx9D27;

13 f. Defendant Dean Shafer shall transfer to the FTC or its  
14 designated agent all cash and other assets currently held in any account to which  
15 Defendant Dean Shafer has access that is not identified in subparagraphs a-e above;  
16 and

17 g. Defendant Dean Shafer shall transfer to the FTC or its  
18 designated agent all cash and other assets currently held in any safe deposit box to  
19 which Defendant Dean Shafer has access;

20 2. Provided that, immediately upon receipt, Defendant Dean Shafer  
21 transfers to the FTC or its designated agent the amount of any proceeds Defendant  
22 Dean Shafer receives from the sale of property located at 56760 Muirfield Village,  
23 La Quinta, CA, 92253;

24 3. As long as the Court makes no finding, as provided in Section VI  
25 of this Order, that Defendant Dean Shafer materially misrepresented or omitted the  
26 nature, existence, or value of any asset, and as long as the Court does not otherwise  
27 reopen the Order and modify the judgment pursuant to Section VI of this Order.  
28

1           B.     Defendant Dean Shafer relinquishes all dominion, control, and title to  
2 the funds paid to the fullest extent permitted by law. Defendant Dean Shafer shall  
3 make no claim to or demand for return of the funds, directly or indirectly, through  
4 counsel or otherwise.

5           C.     Defendant Dean Shafer agrees that the facts as alleged in the Complaint  
6 filed in this action shall be taken as true without further proof in any bankruptcy case  
7 or subsequent civil litigation pursued by the FTC to enforce its rights to any payment  
8 or money judgment pursuant to this Order, including but not limited to a  
9 nondischargeability complaint in any bankruptcy case. Defendant Dean Shafer  
10 further stipulates and agrees that the facts alleged in the Complaint establish all  
11 elements necessary to sustain an action by the FTC pursuant to, and that this Order  
12 shall have collateral estoppel effect for purposes of Section 523(a)(2)(A) of the  
13 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A). This subsection is not intended to be,  
14 nor shall it be, construed as an admission of liability by Defendant Dean Shafer with  
15 respect to the allegations set forth in the Complaint with respect to any claims or  
16 demands by any third parties.

17           D.     Defendant Dean Shafer stipulates and agrees that the judgment ordered  
18 by this Section is not dischargeable in bankruptcy, pursuant to Section 523 of the  
19 Bankruptcy Code, 11 U.S.C. § 523;

20           E.     The judgment entered pursuant to this Section is equitable monetary  
21 relief, solely remedial in nature, and not a fine, penalty, punitive assessment or  
22 forfeiture;

23           F.     Upon request, Defendant Dean Shafer is hereby required, in accordance  
24 with 31 U.S.C. § 7701, to furnish to the FTC any tax identification numbers, which  
25 shall be used for purposes of collecting and reporting on any delinquent amount  
26 arising out of this Order; and

1 G. Upon request, Defendant Dean Shafer is hereby required to furnish to  
2 the FTC with copies of any tax returns submitted for the years 2004 through the  
3 present; and

4 H. Pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C.  
5 § 1681b(1), any consumer reporting agency may furnish a consumer report  
6 concerning Defendant Dean Shafer to the FTC, which shall be used for purposes of  
7 collecting and reporting on any delinquent amount arising out of this Order.

8 **RIGHT TO REOPEN**

9 **VI. IT IS FURTHER ORDERED** that, the FTC's agreement to, and the Court's  
10 approval of, this Order is expressly premised on the truthfulness, accuracy and  
11 completeness of the revised Financial Statement of Individual Defendant dated  
12 February 3, 2010, and the revised Financial Statement of Corporate Defendant dated  
13 February 3, 2010, each of which has been submitted to FTC counsel by Defendant  
14 Dean Shafer, and the sworn testimony given by Defendant Dean Shafer on or about  
15 January 5, 2010. If, upon motion by the FTC, the Court finds that: (1) the financial  
16 statement or sworn testimony of Defendant Dean Shafer contains any material  
17 misrepresentation or omission of the nature, existence, or value of any asset, or (2)  
18 Defendant Dean Shafer receives any money or assets owed to him as of the date of  
19 entry of this Order by any Defendant named in this civil action, or their officers,  
20 agents, servants, employees, and all persons and entities in active concert or  
21 participation with them, including pursuant to any chose of action to recover money  
22 or assets from such persons, the suspended judgment entered in Section V of this  
23 Order shall become immediately due and payable, less any amounts turned over to  
24 the FTC pursuant to Section V of this Order. If the form entitled "Financial  
25 Statement of Individual Defendant," completed by non-defendant Rebecca Raff, the  
26 spouse or ex-spouse of Defendant Dean Shafer, and dated April 6, 2010, contains  
27 any material misrepresentation or omission of the nature, existence, or value of any  
28

1 asset, the Commission may request that this Order be reopened for the sole purpose  
2 of modifying the amount of equitable monetary relief against Defendant Dean  
3 Shafer. *Provided, however,* in all other respects this Order shall remain in full force  
4 and effect unless otherwise ordered by the Court; and, *provided further,* that  
5 proceedings instituted under this provision would be in addition to, and not in lieu of,  
6 any other civil or criminal remedies as may be provided by law, including any other  
7 proceedings that the FTC may initiate to enforce this Order. For purposes of this  
8 Section, Defendant Dean Shafer waives any right to contest any of the allegations in  
9 the Complaint.

#### 10 **COOPERATION WITH FTC**

11 **VII. IT IS FURTHER ORDERED** that Defendant Dean Shafer shall, in  
12 connection with this action or any subsequent investigation or litigation related to or  
13 associated with the transactions or the occurrences that are the subject of the  
14 Complaint, cooperate in good faith with the FTC and appear at such places and times  
15 as the FTC shall reasonably request, after written notice, for interviews, conferences,  
16 pretrial discovery, review of documents, and for such other matters as may be  
17 reasonably requested by the FTC. If requested in writing by the FTC, Defendant  
18 Dean Shafer shall appear and provide truthful testimony in any trial, deposition, or  
19 other proceeding related to or associated with the transactions or the occurrences that  
20 are the subject of the Complaint, without the service of a subpoena, *provided,*  
21 *however,* that Defendant Dean Shafer shall be entitled to receive any witness fees  
22 and expenses allowable pursuant to Federal Rule of Civil Procedure 45.

#### 23 **COMPLIANCE MONITORING**

24 **VIII. IT IS FURTHER ORDERED** that, for the purpose of (i) monitoring and  
25 investigating compliance with any provision of this Order, and (ii) investigating the  
26 accuracy of Defendant Dean Shafer's financial statement or sworn testimony upon  
27 which the FTC's agreement to this Order is expressly premised:



1           1.     Defendant Dean Shafer shall notify the FTC of the following:

2                 a.     Any changes in his residence, mailing addresses, and  
3 telephone numbers, within ten (10) days of the date of such change;

4                 b.     Any changes in his employment status (including self-  
5 employment), and any change in his ownership in any business entity, within ten  
6 (10) days of the date of such change. Such notice shall include the name and address  
7 of each business that he is affiliated with, employed by, creates or forms, or performs  
8 services for; a detailed description of the nature of the business; and a detailed  
9 description of his duties and responsibilities in connection with the business or  
10 employment; and

11                c.     Any changes in his name or use of any aliases or fictitious  
12 names;

13           2.     Defendant Dean Shafer shall notify the FTC of any changes in  
14 structure of any Corporate Defendant or any business entity that he directly or  
15 indirectly controls, or has an ownership interest in, that may affect compliance  
16 obligations arising under this Order, including but not limited to: incorporation or  
17 other organization; a dissolution, assignment, sale, merger, or other action; the  
18 creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or  
19 practices subject to this Order; or a change in the business name or address, at least  
20 thirty (30) days prior to such change, *provided* that, with respect to any proposed  
21 change in the business entity about which Defendant Dean Shafer learns less than  
22 thirty (30) days prior to the date such action is to take place, he shall notify the FTC  
23 as soon as is practicable after obtaining such knowledge.

24           B.     One hundred eighty (180) days after the date of entry of this Order and  
25 annually thereafter for a period of seven (7) years, Defendant Dean Shafer shall  
26 provide a written report to the FTC, which is true and accurate and sworn to under  
27 penalty of perjury, setting forth in detail the manner and form in which he has  
28

1 complied and is complying with this Order. This report shall include, but not be  
2 limited to:

3 1. Defendant Dean Shafer's then-current residence address, mailing  
4 addresses, and telephone numbers;

5 2. Defendant Dean Shafer's then-current employment status  
6 (including self-employment), including the name, addresses, and telephone numbers  
7 of each business that he is affiliated with, employed by, or performs services for; a  
8 detailed description of the nature of the business; and a detailed description of his  
9 duties and responsibilities in connection with the business or employment; and

10 3. A copy of each acknowledgment of receipt of this Order,  
11 obtained pursuant to the Section titled "Distribution of Order;" and

12 4. Any other changes required to be reported under Subsection A of  
13 this Section.

14 C. Defendant Dean Shafer shall notify the FTC of the filing of a  
15 bankruptcy petition by him within fifteen (15) days of filing.

16 D. For the purposes of this Order, Defendant Dean Shafer shall, unless  
17 otherwise directed by the FTC's authorized representatives, send by overnight  
18 courier all reports and notifications required by this Order to the FTC, to the  
19 following address:

20 Associate Director for Enforcement  
21 Bureau of Consumer Protection  
22 Federal Trade Commission  
23 600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580  
RE: *FTC v. Loss Mitigation Services, Inc.*, Case No. SACV09-  
800 DOC (ANx) (C.D. Ca.)

24 *Provided* that, in lieu of overnight courier, Defendant Dean Shafer may send such  
25 reports or notifications by first-class mail, but only if he contemporaneously sends an  
26 electronic version of such report or notification to the FTC at: DEBrief@ftc.gov.

1 E. For purposes of the compliance reporting and monitoring required by  
2 this Order, the FTC is authorized to communicate directly with Defendant Dean  
3 Shafer.

#### 4 **RECORD KEEPING PROVISIONS**

5 **X. IT IS FURTHER ORDERED** that, for a period of ten (10) years from the  
6 date of entry of this Order, in connection with any business where Defendant Dean  
7 Shafer is the majority owner of the business or directly or indirectly manages or  
8 controls the business, Defendant Dean Shafer and his agents, employees, officers,  
9 corporations, and those persons in active concert or participation with him who  
10 receive actual notice of this Order by personal service or otherwise, are hereby  
11 restrained and enjoined from failing to create and retain the following records:

12 A. Accounting records that reflect the cost of goods or services sold,  
13 revenues generated, and the disbursement of such revenues;

14 B. Personnel records accurately reflecting: the name, address, and  
15 telephone number of each person employed in any capacity by such business,  
16 including as an independent contractor; that person's job title or position; the date  
17 upon which the person commenced work; and the date and reason for the person's  
18 termination, if applicable;

19 C. Customer files containing the names, addresses, phone numbers, dollar  
20 amounts paid, quantity of items or services purchased, and description of items or  
21 services purchased, to the extent such information is obtained in the ordinary course  
22 of business;

23 D. Complaints and refund requests (whether received directly, indirectly,  
24 or through any third party) and any responses to those complaints or requests;

25 E. Copies of all sales scripts, training materials, advertisements, or other  
26 marketing materials; and  
27  
28

1 F. All records and documents necessary to demonstrate full compliance  
2 with each provision of this Order, including but not limited to, copies of  
3 acknowledgments of receipt of this Order required by the Sections titled  
4 "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports  
5 submitted to the FTC pursuant to the Section titled "Compliance Reporting."

6 **DISTRIBUTION OF ORDER**

7 **XI. IT IS FURTHER ORDERED** that, for a period of seven (7) years from the  
8 date of entry of this Order, Defendant Dean Shafer shall deliver copies of this Order  
9 as directed below:

10 A. Defendant Dean Shafer as Control Person: For any business that  
11 Defendant Dean Shafer controls, directly or indirectly, or in which Defendant Dean  
12 Shafer has a majority ownership interest, Defendant Dean Shafer must deliver a copy  
13 of this Order to (1) all principals, officers, directors, and managers of that business;  
14 (2) all employees, agents, and representatives of that business who engage in conduct  
15 related to the subject matter of this Order; and (3) any business entity resulting from  
16 any change in structure set forth in Subsection A.2 of the Section titled "Compliance  
17 Reporting." For current personnel, delivery shall be within five (5) days of service  
18 of this Order upon Defendant Dean Shafer. For new personnel, delivery shall occur  
19 prior to them assuming their responsibilities. For any business entity resulting from  
20 any change in structure set forth in Subsection A.2 of the Section titled "Compliance  
21 Reporting," delivery shall be at least ten (10) days prior to the change in structure.

22 B. Defendant Dean Shafer as Employee or Non-Control Person: For any  
23 business where Defendant Dean Shafer is not a controlling person of a business but  
24 otherwise engages in conduct related to the subject matter of this Order, Defendant  
25 Dean Shafer must deliver a copy of this Order to all principals and managers of such  
26 business before engaging in such conduct.

1 C. Defendant Dean Shafer must secure a signed and dated statement  
2 acknowledging receipt of this Order, within thirty (30) days of delivery, from all  
3 persons receiving a copy of this Order pursuant to this Section.

4 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

5 **XII. IT IS FURTHER ORDERED** that Defendant Dean Shafer, within five (5)  
6 business days of receipt of this Order as entered by the Court, must submit to the  
7 FTC a truthful sworn statement acknowledging receipt of this Order.

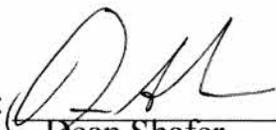
8 **RETENTION OF JURISDICTION**

9 **XIII. IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this  
10 matter for purposes of construction, modification, and enforcement of this Order.

11  
12 **SO STIPULATED AND AGREED:**

13  
14 Dated: April 07, 2010

DEAN SHAFER

15  
16  
17 By:   
18 Dean Shafer  
19 Defendant *Pro Se*

20 Dated: July 12, 2010

FEDERAL TRADE COMMISSION

21  
22 By:   
23 Mark L. Glassman  
24 Robert B. Mahini  
25 Bevin T. Murphy

26 Attorneys for Plaintiff  
27 FEDERAL TRADE COMMISSION  
28

1 CERTIFICATE OF SERVICE

2 I, Katherine Redding, certify as follows:

3 I am over the age of 18 and am employed by the Federal Trade Commission. My  
4 business address is 600 Pennsylvania Avenue, NW, Mail Stop NJ-3158, Washington,  
DC 20580.

5 On July 12, 2010, I caused the attached document entitled "STIPULATION BY  
6 DEFENDANT DEAN SHAFER FOR ENTRY OF FINAL ORDER FOR  
7 PERMANENT INJUNCTION AND SETTLEMENT OF CLAIMS AS TO  
DEFENDANT DEAN SHAFER" to be served, by the following means, on the  
following individuals:

8 By Agreement for Email Service

9 Dean Shafer  
10 & Loss Mitigation Services, Inc.  
11 [Street address omitted  
per L.R. 79-5.4]  
12 Newport Coast, CA 92657  
deanshafer2004@yahoo.com

13 *Defendants Pro Se*

14 Marion Anthony ("Tony") Perry  
15 [Street address omitted  
per L.R. 79-5.4]  
16 Fountain Valley, CA

17 *Defendant Pro Se*

18 Bernadette Perry  
19 [Street address omitted  
per L.R. 79-5.4]  
20 Laguna Woods, CA

21 *Defendant Pro Se; Registered  
Agent for Synergy Financial  
22 Management Corporation*

By Overnight Delivery and Email

Brick Kane  
Robb Evans & Associates, LLC  
11450 Sheldon Street  
Sun Valley, CA 91352-1121  
brick\_kane@robbevans.com

*Receiver for Defendant Loss  
Mitigation Services, Inc.*

Gary O. Caris  
McKenna Long & Aldridge, LLP  
300 South Grand Avenue, 14<sup>th</sup> Floor  
Los Angeles, CA 90071-3124  
gcaris@mckennalong.com

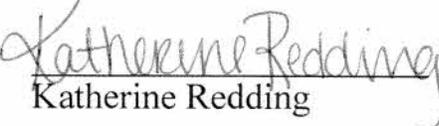
*Counsel for Receiver  
Robb Evans & Associates, LLC*

Michael A. Brewer  
Hornberger & Brewer, LLP  
444 South Flower Street  
Suite 3010  
Los Angeles, CA 90071  
mbrewer@hgblaw.com

*Counsel for Intervenor TK Global  
Partners, LP*

23  
24  
25 I declare under penalty of perjury that the foregoing is true and correct.

26 Dated: July 12, 2010

27  
28   
Katherine Redding



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8919525 Contact Type:Request for Information Source:Consumer TCS? Y

Comments: Consumer wants to know if the FTC has info about Quixtar/The Team. Consumer states that this is alot like Amway. Consumer wants to know if the company claims are accurate. Consumer is considering this as a business opportunity.

Created By: NROBINSON Created Date: 08/31/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Not Reported

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date:

Initial Response:Unknown

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City:

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

Email:

Age Range: 30 - 39

(b)(6)

First: (b)(6)

State: IN Zip: (b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar / The Team

Address:

City:

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8886116 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer has a complaint against BNG International, a multi-level marketing company. Consumer states he has been asked to attend a seminar advertising direct-buy merchandise. Consumer was asked for an upfront fee, which he has not paid. Consumer states Quixstar is the parent company of BNG International. Consumer states the rep was evasive when he asked her questions about the business. Consumer has no email address or alternate#.

Created By: MRALEY Created Date: 08/25/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 75.00

Amt Paid: .00 Payment Method: Not Reported

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date: 08/24/06

Initial Response:Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Dallas

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: () Ext:

Company: BNG International

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: (972) 2968915 Ext:

Company: Michael Ferroni

Address:

City: Austin State: TX Zip:

Country: UNITED STATES

Email: URL:

Phone: (512) 6356040 Ext:

**Company Representative**

Rep Name: Francis, Gina Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8753667 Contact Type:Complaint Source:Consumer TCS? N  
 Comments: Consumer called the CRC to file a complaint against Quixtar a  
 multilevel marketing firm. Consumer wanted to know  
 Created By: BHENDERSON Created Date: 08/03/06  
 Updated By: Updated Date:  
 Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
 Amt Requested:  
 Amt Paid: Payment Method:  
 Agency Contact: Phone Complaint Date:  
 Initial Response:  
 Product/Service:  
 Statute/Rule:  
 Law Violation:

**Consumer**

Complaining  
 Company/Org.: (b)(6)  
 Last name:  
 Address:  
 City: Omaha  
 Country: UNITED STATES  
 Work phone () Ext:  
 Fax Number: ()  
 Home Number: (b)(6)  
 Email:  
 Age Range: 20 - 29

First: (b)(6)

State: NE Zip: (b)(6)

**Company**

Company: Quixtar  
 Address:  
 City: State: NR Zip:  
 Country: LOCATION NOT REPORTED  
 Email: URL:  
 Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8596550 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I am filing this complaint because I have read many things about Quixtar being a pyramid scheme company. Additionally, I have read that they misrepresent the actual amount earnable in the company. Such sources include MSNBC and Forbes, which are easily found in a short internet search; as well as hundreds of other complaints. It is also known that this company was formerly Amway, which had controversy as to whether it was a pyramid scheme. This company has not taken anything from me, but because my father has become involved with them, I feel it is my duty to ask the FTC the legitimacy of this company. I feel that this company is cheating my father out of time and money, which directly affects the well-being of our entire family.

Any information the FTC has on Quixtar, formely Amway, would help a lot in convincing my father to make the correct decision; which I hope is to leave Quixtar.

Created By: NSHOUSE Created Date: 07/12/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 07/10/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

Address:

City:

Rockville

Country:

UNITED STATES

Work phone

(b)(6)

Ext:

Fax Number:

Home Number:

Email:

Age Range:

18 - 19

First:

(b)(6)

State: MD Zip:

(b)(6)

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:<http://www.quixtar.com>

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8652659 Contact Type:Complaint Source:Consumer TCS? Y

Comments: -COMPLAINANT HAS STARTING WORKING WITH QUIXTAR IN JANUARY.  
-QUIXTAR IS THE MONEY SIDE OF THE COMPANY, AND INTERBIZ IS IN THE INTERNET SHOPPING SIDE. -SUSPECT COMPANY WAS FORMERLY ASSOCIATED TO AMWAY. -HE HAS PURCHASED PRODUCTS (ONLINE) AND RECEIVED THEM. -HE IS SUPPOSED TO RECRUIT PEOPLE AND FROM THOSE PEOPLE (IF HE RECRUITS ENOUGH) HE WILL GET MONEY BACK FROM HIS PURCHASES. -HE HAD TO PAY A FEE TO REGISTER AND WILL HAVE TO PAY MORE TO TAKE SOME COURSES. TOTAL FINAL COST WILL BE ABOUT \$500.00. -HE HAS HEARD SOME RUMOURS THAT THE FBI IS INVESTIGATING THIS COMPANY AND JUST WANTS TO MAKE SURE THAT IT IS LEGITIMATE.

Created By: PHNB Created Date: 07/06/06  
Updated By: Updated Date:  
Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)  
Amt Requested:  
Amt Paid: Payment Method:  
Agency Contact: External Agency Complaint Date: 07/06/06

Initial Response:Other

Product/Service:Employ Agencies\Job Counsel\Overseas Work

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6) First: (b)(6)  
Address: (b)(6)  
City: MARMORA State: ON Zip: (b)(6)  
Country: CANADA  
Work phone: () Ext:  
Fax Number: (b)(6)  
Home Number:  
Email:  
Age Range:



09/13/2006

LMARASCO

**Company**

Company: QUIXTAR / INTERBIZ

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8525509 Contact Type:Complaint Source:Consumer TCS? Y

Comments: THE COMPLAINANT WAS SOLICITED BY A FRIEND WHO WANTED HER TO AN SELLER FOR QUIXTAR. THEY WANT \$180 FOR PRODUCTS AND \$35.00 FOR A LICENSE TO BE SELF EMPLOYED. COMPLAINANT WILL CONTINUE VISIT OUT WEBSITE AND CONTINUE TO INVESTIGATE.

Created By: PHNB Created Date: 06/06/06

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 196.00

Amt Paid: 196.00 Payment Method: Not Reported

Agency Contact: External Agency Complaint Date: 06/06/06

Initial Contact: In Person Transaction Date: 06/06/06

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: CHICOUTIMI

State: PQ Zip: (b)(6)

Country: CANADA

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8300332 Contact Type:Complaint Source: Consumer TCS? Y  
 Comments: Promises of 35K+ a year but after further research about Quixtar it was revealed that is extremely falsified.  
 Created By: JHART Created Date: 05/31/06  
 Updated By: Updated Date:  
 Org Name: PUBLIC USERS - CIS  
 Amt Requested: 120.00  
 Amt Paid: .00 Payment Method:  
 Agency Contact: Internet Complaint Date: 05/28/06  
 Initial Contact: In Person Transaction Date: 05/27/06

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.: (b)(6) First: (b)(6)  
 Last name: Address: (b)(6)  
 City: Rochester State: MN Zip: (b)(6)  
 Country: UNITED STATES  
 Work phone: (b)(6)  
 Fax Number: Home Number: Email: (b)(6)  
 Age Range: 13 - 17



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spaulding Plz SE

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:<http://www.quixtar.com>

Phone: (616) 7877000

Ext:

**Company Representative**

Rep Name: Skare, Bruce

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8300131 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was approached by a rep at Quixtar about working for them and I need to know before I get into business with them is this a Legal Business or a Pyramid Scheme? They said they said their plan was approved by the Federal Trade Commission and I need to know is this True or False and is Quixtar a Legitimate home business or a Pyramid Scheme? Plz let me know soon cause i have another meeting with him Next Thursday and I need to know by then is this Business Legit or Bogus?

Created By: DCRASE Created Date: 05/31/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 250.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 05/26/06

Initial Contact: In Person Transaction Date: 05/25/06

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: Spring Lake

State: NC Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Davis, Glenn

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8258126 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: A Pyramid Scheme) Quixtar is a pyramid scheme that is thriving in Richmond, VA. I have been approached at least half a dozen times over the last year. I have been solicited in Nordstom's, Panera, Target, Kroger, Barnes and Noble, Dick's Sporting Goods and Ukrop's.

Most often individuals search for young adults between the age 18 and 25. They often approach individuals in an overly friendly manner, and then tell them they are new to the area. They mention they are looking to expand their business, and are looking for some good employees. They set up an appointment and make claims that individuals can make upwards of \$150K in the first three years.

Besides being illegal, I also think their recruiting tactics are extremely unethical. I have been told that I am in slavery as long as I work for a company, and that the only way to freedom is through owning your own business. Additionally I have heard a Quixtar individual tell a student that education is not the way to succeed in life, and actually encouraged that individual to not finish school in favor of joining the comopany.

They call themselves a marketing partnership with IBO;s (Independent Business Owners), and refuse to refer to themselves as a Pyramid scheme. They also ask you to go to their website to buy products if you refuse to join their team.

I am surprised that this company has lasted this long. It should be shut down as Pyramid Schemes are illegal.

Most often individuals search for young adults between the age 18-25. They often approach individuals in a friendly way, and then tell them they are new to the area. They mention they are looking to expand their business, and are looking for some good employees. They set up an appointment and make claims that individuals can make upwards of \$150K in the first three years.

I also think their recruiting tactics are extremely unethical.

Created By: JKIGHT Created Date: 05/23/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 05/20/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters



09/13/2006

LMARASCO

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: Richmond  
Country: UNITED STATES  
Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:  
Age Range: 20 - 29

State: VA Zip: (b)(6)

**Company**

Company: Quixtar  
Address:

City: Richmond  
Country: UNITED STATES  
Email:  
Phone: (800) 253-6500 Ext:

State: VA Zip: 23233  
URL: <http://www.quixtar.com/>

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8250075 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer is calling to file a complaint against Quixtar (AmWay) a franchise company. Consumer states that she had to pay \$186 membership fee and that she has to make orders for \$350, \$280. Consumer states that they set up a 2-5 year plan to become a millionaire. Consumer states that she has to have people come up under her and she has to make so many purchases but they tell her to make it seem like she has clients or that she purchasing to pass out samples to get clients. Consumer is supposed to be a distributor and she can't put there product out or flyers but there is no promotion. Consumer states that they tell you if anyone is negative to stay away from them.

Created By: BHENDERSON Created Date: 05/22/06  
Updated By: Updated Date:  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 186.00  
Amt Paid: 186.00 Payment Method:Bank Account Debit  
Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date:

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

Address:

City: Mishawaka

State: IN Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8250009 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Quixtar, a multilevel marketing company, advertises unsubstantiated earnings claims to their target sellers. The consumer states that the company is advertising lifestyles that are not a true representation of the Quixtar company of which the consumer has been a member of the organization since 1969. Consumer does not wish to file his complaint at this time.

Created By: JCLIFTON Created Date: 05/22/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Not Reported

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date: 01/01/78

Initial Response: Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Galloway

State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8238736 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: N/A) I have a question about Quixtar.com. In Independet Business Owner is trying to induct me into his business plan which I thought was not a good idea because it looks like just a remodeled pyramid scheme. I've read about other people filing complaints about Quixtar. It seems legal and all except that I'm not sure if enough sales go through products and whether too much money is made selling the system (CDs, literature, seminars, things like that). They claim that they are supported by the Federal Trade Commission through something called the Essay 4400. I could not find what that was so I'm questioning the Legitimacy of this MLM business opportunity. I would appreciate any feedback on this topic. Thank you very much. I'm not sure if I should join into this business plan.

Created By: DCRASE Created Date: 05/19/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 05/17/06

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First:

Address:

City: Longmeadow

State: MA Zip:

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

Email:

Age Range: 18 - 19



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Quixtar Inc.

5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email: Quixtarpr@Quixtar.com

URL:<http://www.quixtar-inc.com>

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8209109 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: potential pyramid scheme) The company (a man named Dave) first contacted me on 05/10/2006 and said that they had received my name and number from an individual I went to high school with (Chad Lind) and said that he was involved in a business venture with them and thought they could use my help. On 05/12/2006 Nate, an associate of Dave, contacted me and had me open a link to an internet conference, where he led me through a type of slide show. They appeared to want me to somehow start a business with them, and then get others to do the same. By getting other to join, I would in turn make money from their businesses in the form of "residual income or royalties." It sounded like a pyramid scheme, so I declined. I attempted to copy the slides from the presentation onto my computer to forward to you, but the program would not allow me to do it. The company may also go by CommuniKate and other names that were repeated were Diamond IBO and BWW Team. I did not listen to the pitch long enough to hear how I could join. The number Nate contacted me from was (402)202-5533 and I did a search for Quixtar on the internet and found the web address I have listed above.

Created By: JKIGHT Created Date: 05/15/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 05/12/06

Initial Contact: Phone Transaction Date: 05/12/06

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Omaha

State: NE Zip: (b)(6)

Country: UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8190704 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: QUIXTAR) I was approached by Quixtar affiliates and they were trying to recruit me to join claiming I can earn millions. I was, and still am, sceptical of the income possibility but I was intrigued about the idea. But I want to know isn't this another pyramid scheme that was repackaged from Amway? Aren't the founders of Amway the founders of Quixtar? I'm spending money but haven't seen anything come back into my pocket. Please help!

Created By: RLOPER Created Date: 05/11/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 05/09/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City: TUSTIN

Country: UNITED STATES

Work phone:

Fax Number:

Home Number:

Email:

Age Range: 20 - 29

(b)(6)

First: (b)(6)

State: CA Zip: (b)(6)

(b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: CA Zip:

Country: UNITED STATES

Email:

URL:WWW.QUIXTAR.COM

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8159677 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Quixtar MLM) Contacted me after finding my resume on a job site stating that my qualifications matched what he was looking for to join his team in the Arizona area. Long conversation telling me about affiliate marketing, products to be sold, spend 45 minutes with him with a commitment of my time, \$50/month to join and I could make money just consuming the products myself with no need to sell down stream or recruit others into "The Business" I asked if this was Amway and was told no. Was told I could make 7 figure incomes, etc... clearly pyramid so I hung up and researched Quixtar (he had briefly mentioned the name as the internet engine driving their affiliate technology). I thought I should report the violation of self consumption and high stated income. I'm an educated businessman and can smell a scam, so I'm not a victim and obviously paid nothing. However, Tom got quite forceful on the phone prior to me hanging up on him and even tried the old routine of needing to spend time on the phone because I may not even qualify. Like I said, just wanted to report it to avoid less aware job seekers from becoming victims from what sounded like someone searching resumes for job candidates.

Created By: RBROWN1 Created Date: 05/05/06  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 50.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 05/03/06  
Initial Contact: Phone Transaction Date: 05/02/06

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City:

Mesa

State: AZ Zip: (b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

30 - 39

**Company**

Company: Quixtar & T&D Marketing Group

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:http://tdintl.wfdb.biz/Login.aspx?ReturnUrl=%2fDefault.aspx

Phone:

(940) 2390453

Ext:

**Company Representative**

Rep Name: Cummings, Tom

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8159673 Contact Type:Complaint Source:Consumer TCS? Y

Comments: A friend introduced me to Quixtar. That is main way the receive members. I noticed right off the bat that there was something not right. I believe that the company engages in cult-like activity. Involving brainwashing in many forms. I joined and became a member and still am. I was wondering if someone could get in contact with me with information on whom to contact to investigate this. I believe the cds they use to "train" their employees have hidden subliminal messages. I am in the Marine Corps and they have already recruited quite a number of Marines from my unit rather quickly.

Created By: RBROWN1 Created Date: 05/05/06  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 203.00  
Amt Paid: 203.00 Payment Method: American Express Credit Card  
Agency Contact: Internet Complaint Date: 05/03/06  
Initial Contact: In Person Transaction Date:

Initial Response:  
Product/Service: Multi-Level Mktg\Pyramids\Chain Letters  
Statute/Rule: FTC Act Sec 5 (BCP)  
Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:  
Last name: (b)(6) First: (b)(6)  
Address:  
City: Westbury State: NY Zip: (b)(6)  
Country: UNITED STATES  
Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:  
Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar / Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8130827 Contact Type:Complaint Source:Consumer TCS? Y

Comments: On several occasions in the North Post PX of Fort Bragg, I have been approached by representatives from Amway/Quixtar, attempting to recruit young officers into their organization. This organization displays cult-like qualities, and merely seeks to exploit the insecurities of young officers. In particular, these representatives--one of which was an E-7-- will prey upon recent job losses and reductions in force, and will prey upon the prospect of money outside the military. They need to be kicked off of this installation.

Created By: MMAYO Created Date: 05/01/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - ARMY - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 04/28/06

Initial Contact: In Person Transaction Date: 04/27/06

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Spartanburg  
Country: UNITED STATES

State: SC Zip: (b)(6)

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: Unknown, Unknown

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8021474 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Whole organization) It seems that these people (Quixtar company) rope in unsuspecting college students who will do anything for an extra couple of bucks. By boyfriend got pulled into this at Penn State University and now he doesn't know how to get out or what to think of it. To me it seems like they have completely brain washed him and have discouraged him from doing further reseach, beyond what quixtar is telling him, because other sources are usually "biased against quixtar". I would appreciate if you could forward any information that you have on this Quixtar company to me, so i can try to undo the damage that they have done to him already, or at least give him a different prospective on how the company works and what they are really doing - so he isn't just hearing what they want him to hear. They have talked him into paying them a starting fee of \$150 dollars without giving him any real evidence on his projected profits or anything more concrete than word of mouth.

Created By: MPHILLIPS Created Date: 04/11/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 04/10/06

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

Address:

City:

pittsburgh

Country:

UNITED STATES

Work phone

( )

Ext:

Fax Number:

( )

Home Number:

(b)(6)

Email:

Age Range:

18 - 19

First:

(b)(6)

State: PA Zip:

(b)(6)

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:quixtar.com

Phone:

( )

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 8006323 Contact Type: Request for Information Source: Consumer TCS? N

Comments:

(Product Name: not a product) To whom of which this may concern,

Good day,

This e-mail is an inquiry concerning Quixtar Inc and not a complaint. I am interested in knowing if they are considered "legit" by your standards, if you have any warnings out concerning them and if you approve of the corporation.

Your response would be greatly appreciated because it will govern my decision on whether or not I will continue to participate in this business or not.

Thanking you in advance,  
Regards

Created By: MPHILLIPS

Created Date: 04/07/06

Updated By:

Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid:

Payment Method:

Agency Contact: Internet

Complaint Date: 04/06/06

Initial Contact: In Person

Transaction Date:

Initial Response:

Product/Service: Other (Note in Comments)

Statute/Rule:



09/13/2006

LMARASCO

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

City: Montreal

Country: CANADA

Work phone

Fax Number:

Home Number:

Email:

Age Range: 20 - 29

First:

State: PQ Zip:

**Company**

Company: Quixtar

Address: unkown address

City: unkown city

Country: LOCATION NOT REPORTED

Email:

Phone: ()

Ext:

State: NR Zip:

URL:www.quixtar.com

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7999201 Contact Type:Complaint Source:Consumer TCS? N

Comments: Consumer had purchased energy drinks online and the energy drink company Access Energy had enrolled him in a Purchase Sale Product Program. UPDATE: 04/06/06 - Consumer indicated that the company, Quixtar, offers some kind of discount so items can be purchaed from over 100 companies. The company charged \$19.95, and the consumer does not know whether this is a one-time fee or a monthly fee. The company offers different kinds of health food. Consumer has called and told the company to cancel. lreeves

Created By: KMURRAY Created Date: 04/06/06

Updated By: IREEVES Updated Date: 04/06/06

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 19.95

Amt Paid: 19.95 Payment Method: American Express Credit Card

Agency Contact: Phone Complaint Date:

Initial Contact: Internet Web Site Transaction Date: 03/15/06

Initial Response:Mail

Product/Service: Food Marketed for Health

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6) Address:

First: (b)(6)

City: Sherman Oaks

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355-0001

Country: UNITED STATES

Email:

URL:quixtar.com

Phone: (800) 2536500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7874615 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer states that Quixtar and Amway, a multilevel marketing company deceived the consumer with unsubstantiated earnings. The consumer claims that she and other members of her family have lost a great deal of money. The consumer claims that she purchased \$ worth of goods from the company.

Created By: JCLIFTON Created Date: 03/21/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 25,000.00

Amt Paid: 25,000.00 Payment Method:MasterCard Credit Card

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 12/01/05

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Valley Stream

State: NY Zip: (b)(6)

Country: UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Amway

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (616) 7877250 Ext:

Company: Quixtart

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7836166 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: orrin woodward/team of destiny) afiliated with quixtar "the team" orrin woodward the top level person for the team. i feel they should be looked into as far as being a pyramid scheme. the team fits all of the fedral trade commisions guide lines as a pyramid scheme. to many people are getting ripped off.

Created By: MPHILLIPS Created Date: 03/14/06  
Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 250.00

Amt Paid: 350.00 Payment Method: Cash

Agency Contact: Internet Complaint Date: 03/12/06

Initial Contact: In Person Transaction Date: 06/01/05

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: [Redacted]  
Address: [Redacted]

First: (b)(6)

City: el mirage State: AZ Zip: (b)(6)

Country: UNITED STATES  
Work phone: (b)(6) Ext:

Fax Number: [Redacted]  
Home Number: [Redacted]  
Email: [Redacted]

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: quixtar/ "the team" (formaly know as the team of destiny)

Address: 30555 southfield rd sute 200

City: southfield

State: MI Zip: 48076-7751

Country: UNITED STATES

Email:

URL:www.the-team.biz

Phone: (810) 732-9310

Ext:

**Company Representative**

Rep Name: yurgo, wendy

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7817995 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer states that he bought a computer from NORTHGATE COMPUTERS and after a few months the computer did not work. Now that the consumer is trying to contact the company he is informed that it has gone out of bussiness and he does not know if he had a warranty. No email address was provided.

Created By: DGIRONCHAVEZ Created Date: 03/10/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 1,500.00

Amt Paid: 1,500.00 Payment Method: Other Credit Card

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date: 01/01/05

Initial Response:Phone: 800/888

Product/Service: Computers: Equipment\Software

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Charlottesville

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: () Ext:

Company: NORTHGATE COMPUTERS

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: () Ext:

**Company Representative**

**Associated Company**

Company: Quixtar

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Phone: () Ext:

Reason: Affiliate



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7785896 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: work from home- deceptive means to get people to join) Company is deceptive because they and their representatives withhold information so you have to continue to come back to "meetings"/ seminars and pay to get in. In the meeting they did not explain that their bonus point scale have to be earned where they made it seem like the more people you have join it was automatically given. Please see this website- it more clearly tells about their deceptiveness. I found it after I started investigating Quixtar after the meeting. <http://www.amquix.info/amway.html>

Created By: JHART Created Date: 03/06/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 180.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 03/03/06

Initial Contact: In Person Transaction Date: 02/28/06

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Trenton State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: (b)(6)

Home Number: (b)(6)

Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Vicks, Dave

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7708163 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer was contacted by Quixtar to offer a business contract. The consumer would be a work at home to recruiting others to sign to sell products on line. The consumer invested. The consumer wanted to know if the business is legitimate.

Created By: WFRIDAY Created Date: 02/22/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 300.00

Amt Paid: 300.00 Payment Method: Visa Credit Card

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 12/22/05

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

San Jose

UNITED STATES

(b)(6) xt:

(b)(6)

30 - 39

First: (b)(6)

State: CA Zip: (b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7670220 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer was contacted by a friend about a business opportunity with their company. Consumer was told he would log on to quixtar.com where he can buy various products and get points for them. Consumer was told he would also get money from the company for getting a certain amount of points and recruiting other people. Consumer was unsure of the opportunity being a scam, but signed up and paid funds anyways. Consumer did not give email/ work #.

Created By: EMCMANN Created Date: 02/15/06  
Updated By: Updated Date:  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 200.00  
Amt Paid: 200.00 Payment Method: Bank Account Debit  
Agency Contact: Phone Complaint Date:  
Initial Contact: Unknown Transaction Date: 01/01/06

Initial Response:Internet/E-mail

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Philadelphia

State: PA Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7481803 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: BUSINESS PRACTICES) THIS COMPANY HAS NOT DIRECTLY CONTACTED US, HOWEVER THE HAVE BRAIN WASHED OUR SON FOR THA LAST YEAR AND A HALF INTO BELIEVING THAT HE IS GOING TO MAKE A MILLION BY DEVOTING HIMSELF TO THE BUSINESS. CAN SOMEONE PLEASE PUT A STOP TO A BUSINESS THAT DOESN'T WANT YOU TO SELL A PRODUCT BUT RATHER WANTS YOU TO SIGN PEOPLE UP IN THE BUSINESS FOR A FEE, SO THEY CAN ATTEND BUSINESS MEETINGS, PAY A FEE, AND SIGN OTHER PEOPLE UP TO DO THE SAME ALONG WITH BUYING PROMOTIONAL TAPES AND PAMLETS THAT WAS USED BACK WHEN AMWAY WAS AROUND SCAMMING PEOPLE. THANKS FOR YOUR HELP.

Created By: DBRAHLEK Created Date: 01/18/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/14/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Employ Agencies\Job Counsel\Overseas Work

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:  
Email:

Age Range:

(b)(6)

GLADYS

UNITED STATES

( )

( )

(b)(6)

50 - 59

First:

(b)(6)

State: VA Zip:

(b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:QUIXTAR.COM

Phone: ()

Ext:

**Company Representative**

Rep Name: MULLINIK, DARREN

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7481764 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Private Franchise Opportunity) Al convinced my husband that anybody can get wealthy becoming an IBO. He did not disclose any financial statements, facts, or proof. He was and continues to be deceitful about the majority of IBO's who fail, to no fault of their own, at achieving success. My husband is so brainwashed by the subliminal dream that they enticed him with that our family has no medical insurance and we are living below poverty level. My husband, like Al and the rest of "them," refuse to see the other side of Quixtar. Our marriage is in deep despair and on the brink of failure. What kind of company would come between a husband and wife?

Created By: DBRAHLEK Created Date: 01/18/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 39.00

Amt Paid: 150.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 01/14/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Employ Agencies\Job Counsel\Overseas Work

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: South Euclid State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Krasel, Al

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7473341 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Tools system) My complaint is typical of Quixtar and the separate motivational system it involves. Neither one follows the 70% rule, and they are both true pyramids that rely on recruiting downline with deceptive claims. I have lost \$6-7K and many friends have lost more.

Created By: JHART Created Date: 01/17/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/13/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Ulysses

State: NE Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar and Britt World Wide Training System

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7436530 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Idependent Business Owner Registration) Mr. Noles met me while I was on my lunch break at a restaurant in Knoxville. We had casual conversation and he told me that he would like to sit down and talk about a business opportunity that he was recruiting for. Mr. Noles made me feel as though I was a prospect for an employment-type position with a salary between \$40,000-\$60,000. Mr. Noles and I kept in contact. We had several meetings. Most in public places, one at his home with several other business "prospects," and one at the Hilton Garden Inn.

Initially, I was told that Mr. Noles and his firm were looking for fresh ideas and younger staff in their business "team." It wasn't until later that Mr. Noles invited me to attend a conference in Greenville, SC for \$110 that I noticed a previous story that aired May, 2004 on NBC's Dateline which overviewed the company, Quixtar, and its false claims.

Upon further research I learned more and more about Quixtar's deception and recruitment tactics. I was very upset that I was not told this was a multi-level-marketing program in the beginning. Upon my most recent meeting with Mr. Noles this afternoon, I plainly asked if Quixtar, Inc. was similar to Amway. He neglected the fact that Alticor, Inc., the parent company of both, transformed the remains of Amway into the new online breed of pyramidic schema, Quixtar, Inc.

I would like to the company to refund me in billable time for all my time they have wasted. The company explains that you shouldn't trade your hours for dollars, and that is exactly what I would like to do, trade all of my wasted time for their dollars. What information do you have on Quixtar, Inc. and would I be able to successfully obtain compensation from Quixtar for my wasted time?

Thank you,

(b)(6)

Created By: MPHILLIPS Created Date: 01/10/06  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 250.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 01/08/06  
Initial Contact: In Person Transaction Date: 12/14/05

Initial Response:



09/13/2006

LMARASCO

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Alcoa

State: TN Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email: (b)(6)

Age Range: 20 - 29

**Company**

Company: Quixtar, Inc.

Address: 5101 Spaulding Plaza

City: Grand Rapids

State: MI Zip: 49355

Country: UNITED STATES

Email: URL:http://www.quixtar.com

Phone: (616) 787-7000 Ext:

**Company Representative**

Rep Name: Noles, James

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7393133 Contact Type:Complaint Source:Consumer TCS? Y

Comments: When are you in the FTC going to do something about this company and other MLM firms "selling supplements." I am tired of watching blacks and other disparate groups (including the most vulnerable and impressionable) getting duped by these companies. They sell a little bit of product (usually nutrition supplements) to get you off their backs.

These recruiting programs operate as secret pyramid schemes in which the upper level recruiters pay the lower levels a portion of the money gained from sales of these recruitment-based products (books, tapes, seminar fees, etc.) when they bring in new recruits. These products are not resold to the public on a retail base. They operate as an "endless chain" in which investments can only be recouped by recruiting others who would then do the same.

Get off your asses up there at FTC, get tough and DO something!

Created By: MPHILLIPS Created Date: 01/04/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/02/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First: (b)(6)

Address:

City: Chesapeake

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: none, none

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7259556 Contact Type: Request for Information Source: Consumer TCS? N

Comments: (Product Name: (b)(6)) I'm a victim of identity theft with fraudulent charges made on my banking account in the amount of 17,000.00. I did not make these charges to my banking account. I'm requesting that these charges be investigated and then credited to my account.

Created By: DCRASE Created Date: 12/13/05  
Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 12/10/05

Initial Contact: Unknown Transaction Date: 11/01/05

Initial Response:

Product/Service: Other (Note in Comments)

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City:

Country:

Work phone:

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First:

(b)(6)

State: NJ Zip:

(b)(6)

Plainfield

UNITED STATES

(b)(6)

60 - 64



09/13/2006

LMARASCO

**Company**

Company: Quixtar and Erica Boggs for identity theft

Address: 1131 White Oak Circle

City: Melbourn

State: FL Zip: 32934

Country: UNITED STATES

Email:

URL:

Phone: (321) 2533718

Ext:

**Company Representative**

Rep Name: Boggs, Erica

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7203457 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

Hi  
Just wanted to know if i can do the quixtar business while i am on H1 or F1 visa. If not i see 10s of thousands of people on H1 and F1 doing it.  
Please reply back as i have looked all over the internet and found all kinds of replies.  
Thanks

Created By: DBRAHLEK Created Date: 12/06/05

Updated By: BROSS Updated Date: 12/06/05

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 12/02/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: Not Provided First:

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar- need information

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7106932 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer has questions regarding Quixtar. Consumer believes this is a pyramid scheme. Quixtar told consumer that Amway is a pyramid. Consumer was told by Quixtar that she would pay \$125 for materials and training. After training, consumer would sell products. Consumer states that she would have to recruit distributors and receive a portion of their sales. In return, consumer would have to give part of her sales to a distributor above her. Consumer did not provide contact information for Quixtar.

Created By: AYOUNG Created Date: 11/21/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 125.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 11/20/05

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: North Little Rock

State: AR Zip: (b)(6)

Country: UNITED STATES

Work phone:

(b)(6)

Fax Number:

Home Number:

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7107395 Contact Type:Complaint Source:Consumer TCS? Y

Comments: \$64.00 TO REGISTER WITH GOVERNMENT + \$84.00 FOR THE KIT, THEN \$12.00 FOR RENEWING THE MEMBERSHIP YEARLY. I ASKED HER IF SHE GETS COMMISSION FOR RECRUTING & SHE MENTIONED BONUS POINTS. I SUGGESTED THAT BEFORE SHE SIGNED ANY AGREEMENT TO FIND OUT IF THEY ARE LICENCED TO OPERATE IN QUEBEC & TO TAKE ANY CONTRACT TO A LAWYER BEFORE SIGNING IT. IF HE WILL NOT LEAVE YOU THE PAPERWORK, THEN THERE MIGHT BE A PROBLEM WITH WHAT HE IS SAYING. IS THERE A LIMIT AS TO HOW MUCH YOU HAVE TO BUY OR IS THE TIME PERIOD DOABLE TO REACH CERTAIN LEVEL.

Created By: PHNB Created Date: 10/24/05

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 10/24/05

Initial Contact: In Person Transaction Date: 10/24/05

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: NOTRE DAME DES MONTS State: PQ Zip: (b)(6)

Country: CANADA

Work phone () Ext:

Fax Number: (b)(6)

Home Number:

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: QUIXTAR.COM / DOWNEAST NETWORKING SERVICE INC

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6936030 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was referred by a person to attend a recruiting conference for new associates called as IBO's (independant business owners). I am on F1 non-immigrant visa as a student in this country and am not allowed to work and when i expressed that concern they said it is allowed by the IRS and is legal.

I refrained from joining. However i realized that a lot of people who are joining are on non-immigrant work or student visas. Thought i should bring this to your attention.

Created By: MPHILLIPS Created Date: 10/20/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 10/18/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Sterling Heights

State: MI Zip:

(b)(6)

Country: UNITED STATES

Work phone:

(b)(6)

Fax Number:

Home Number:

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar Inc.

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6929817 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I've been an independent busin ess owner with the Amway corporation and Quixtar for some time and the products are awesome the 6-4-2 business plan approved by the ftc is also excellent. My concern is whether both the training company (ILD) and Quixtar are honoring the referrals and awarding the volume as outlined in the business plan approved by the FTC. I've raised inquiries about PV/BV they did not award; yet id Idn't receive answer. I believe that people that I've referred with my name and IBO number and ordered were assigned to others unfairly. I can sense a lack of straight forward answers. I can sense a confusion among their employees referring to cusmoter (clients and members) as if they were benen sponsored into the business as IBO's. I beleive that they rearrange the lines of sponsorships however they please. Perhaps a thorough review of their practice is due. my IBO # is 2196346

Created By: MPHILLIPS Created Date: 10/19/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 10/17/05

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Daly City

State: CA Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar, Inc and International Leadership Development (ILD)

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49385

Country: UNITED STATES

Email:

URL:www.quixtar.com  
www.myildportal.com

Phone: (800) 253-6500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6896368 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer wants to know if Quixtar is a legitimate business opportunity. Consumer was referred by a friend. Consumer is supposed to be a independant business owner contractor. Consumer would 147.00 in fees to become a owner. Consumer states he is supposed to get points for selling products. Consumer is supposed to get other people to join and buy from him and sell for themselves. Consumer has not paid any money at this time.

Created By: BMORGAN Created Date: 10/12/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 147.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 10/12/05

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Moncks Corner State: SC Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6833499 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer requests info about Quixtar, an on-line merchandising company, which is offering consumer a position as a sales agent.

Created By: JFLACK Created Date: 09/30/05  
Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Castro Valley

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number: (b)(6)

Home Number: (b)(6)

Email: (b)(6)

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6790041 Contact Type:Complaint Source:Consumer TCS? Y

Comments: COMPLAINANT TO SEE IF WE HAD ANY COMPLAINTS AGAINST THE COMPANY QUIXTAR. HER HUSBAND SAID THAT JEAN PAUL LUPIEN WITH THE RCMP IN SAGNAY SAID THEY ARE UNDER INVESTIGATION. THE COMPLAINANT IS A MEMBER AND SHE THINKS HER HUSBAND IS JUST TELLING HER THIS TO SCARE HER . I ADVISED HER TO CHECK THE INTERNET TO SEE WHAT HAPPENED TO AMWAY.

Created By: PHNB Created Date: 09/02/05

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 09/02/05

Initial Contact: In Person Transaction Date: 09/02/05

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: JONQUIERE SANGNAY

State: PQ Zip: (b)(6)

Country: CANADA

Work phone: () Ext:

Fax Number: ( )  
Home Number: (b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: P.O. Box 7777 LONDON STATION

MAIN

City: LONDON

State: ON Zip: N5Y5V6

Country: CANADA

Email:

URL:

Phone: (800) 2655477

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6652681 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Mr. Patel made exaggerated income claims. To show the checks Mr. Patel was showing me is actually against Quixtar's own rules. Mr. Patel mislead, along with the rest of his "uplines", me and many other people into believing that in 12-18 months time I could earn an income of \$30,000 on a residul basis, and in 5 years time I could earn \$150,000. The checks that Mr. Patel showed me where for even higher amounts and only represented one months income.

Mr. Patel also stressed "the system" and that succedding was based on listening and buying tapes. His IBO number with the company is 00003752315 if you need to contact them and get additional information from them.

Created By: MPHILLIPS Created Date: 08/30/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 08/27/05

Initial Contact: Unknown Transaction Date: 04/01/04

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Lisle

State: IL Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355-0001

Country: UNITED STATES

Email:

URL:<http://www.quixtar.com>

Phone: ()

Ext:

**Company Representative**

Rep Name: Patel, Prakash

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6652531 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Caller is consumers mother. Consumer has become involved with Quixtar, a perimod sceme. Consumer has been promised that he'd become a milllionaire through this program. But consumer is required to get people under him. Consumer was required to pay \$68.75 to get started with Quixtar. Consumer is required to invest everthing he owns into Quixtar selling vitamines, nutralite, detergent and other household items.

Created By: GALCALDE Created Date: 08/30/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 68.75

Amt Paid: 68.75 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 01/01/04

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Winchester  
Country: UNITED STATES  
Work phone: () Ext:

State: VA Zip: (b)(6)

Fax Number: ()  
Home Number: (b)(6)

Email:  
Age Range: 20 - 29

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Winchester  
Country: UNITED STATES  
Work phone: () Ext:

State: VA Zip: (b)(6)

Fax Number: ()  
Home Number: (b)(6)

Email:  
Age Range: 40 - 49

**Company**

Company: Quixtar  
Address: 6450 Jimmy Carter

City: Norcross  
Country: UNITED STATES

State: VA Zip: 30071

Email:  
Phone: () Ext:

URL:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6647142 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The company makes the following claim on a vitamin supplement:

Double X Protects DNA  
In randomized testing, 120 subjects were given Double X, daily, for 6 weeks. Blood samples were taken at baseline and week 6. Everyone taking Double X showed improvement in DNA stability in just 6 weeks. People in the test group who had pre-existing DNA damage showed an even greater improvement.

Just checking if this violates FDA or FTC code.  
Reference is at:  
<http://www.quixtar.com/products/product.aspx?pid=1778&Ctg=2006&ItemNo=A4300>

Created By: MPHILLIPS Created Date: 08/29/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 08/25/05

Initial Contact: Internet Web Site Transaction Date:

Initial Response:

Product/Service: Health Care: Dietary Supplements\Herbal Remedies

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: Not Provided First: (b)(6)

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar, Inc.

Address: 5101 Spaulding Plaza

City: ADA

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (800) 2536500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6608098 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My resume is listed on a website for people looking for jobs. I was emailed by this guy that he had a 'business opportunity' for me. I thought I'd be programming something or fixing computers, but instead was pitched the Amway/Quixtar thing. I'm a little fed up with these 'get rich' groups that are like a cult. Please do something. This is the THIRD time I've wasted my time with these people.

Created By: DBRAHLEK Created Date: 08/22/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 65.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 08/19/05

Initial Contact: Internet/E-mail Transaction Date: 08/15/05

Initial Response:

Product/Service: Employ Agencies\Job Counsel\Overseas Work

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First:

(b)(6)

Address:

(b)(6)

City: Chico

State: CA Zip:

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address: internet site

City:

State: CA Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: Chiricosta, Dominick

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6529502 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This fellow contacted me saying he got my resume off his database and said he was a recruiter for management and training to companies of software and such. I asked him what database and how did he get it and he couldn't tell me but the one he had was over a year old. Well, I then asked what companies and what types of training. The way he described it was similar to a person who demo's software or hardware, and goes to train the users on it. So I accepted his invitation to an interview for one of these positions. I asked where his office was, he said in his home and wanted to meet at a carabou coffee house. I agreed. My husband came with me, although they didn't know he was coming. When I got there, I was confronted by a second man, and I don't remember his name (mike englestrom i think). They then started talking about some work at home scheme that sounded like a multilevel marketing program. He couldn't even tell me the main company's name! Either that or he just was sidestepping the question. I basically told him I was not interested. He misrepresented himself on the phone! Wasted 2 hrs of my time when I could have been interviewing with a real company! These people should be stopped!

Created By: MPHILLIPS Created Date: 08/05/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 19.95

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 08/04/05

Initial Contact: Phone Transaction Date: 07/27/05

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.: (b)(6)  
 Last name: (b)(6)  
 Address: (b)(6)  
 City: Glen Ellyn  
 Country: UNITED STATES  
 Work phone: (b)(6)  
 Fax Number: (b)(6)  
 Home Number: (b)(6)  
 Email: (b)(6)  
 Age Range: 40 - 49

First: (b)(6)

State: IL Zip: (b)(6)

**Company**

Company: Quixtar.com, Eagle Enterprises, and World Wide Group LLC

Address: 1399 Bowstring Ct.

City: Carol Stream State: IL Zip: 60188

Country: UNITED STATES

Email: jatczakm@wwdb.org

URL:www.quixtar.com www.wwdb.org

Phone: (888) 622-7296 Ext:

**Company Representative**

Rep Name: Jatczak, Mark

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6529476 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This fellow contacted me saying he got my resume off his database and said he was a recruiter for management and training to companies of software and such. I asked him what database and how did he get it and he couldn't tell me but the one he had was over a year old. Well, I then asked what companies and what types of training. The way he described it was similar to a person who demo's software or hardware, and goes to train the users on it. So I accepted his invitation to an interview for one of these positions. I asked where his office was, he said in his home and wanted to meet at a carabou coffee house. I agreed. My husband came with me, although they didn't know he was coming. When I got there, I was confronted by a second man, and I don't remember his name (mike englestrom i think). They then started talking about some work at home scheme that sounded like a multilevel marketing program. He couldn't even tell me the main company's name! Either that or he just was sidestepping the question. I basically told him I was not interested. He misrepresented himself on the phone! Wasted 2 hrs of my time when I could have been interviewing with a real company! These people should be stopped!

Created By: MPHILLIPS Created Date: 08/05/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 19.95

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 08/04/05

Initial Contact: Phone Transaction Date: 07/27/05

Initial Response:

Product/Service: Employ Agencies\Job Counsel\Overseas Work

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

City: Glen Ellyn

Country: UNITED STATES

Work phone (b)(6)

Fax Number:

Home Number:

Email:

Age Range: 40 - 49

First: (b)(6)

State: IL Zip: (b)(6)

**Company**

Company: Quixtar.com, Eagle Enterprises, and World Wide Group LLC

Address: 1399 Bowstring Ct.

City: Carol Stream

State: IL Zip: 60188

Country: UNITED STATES

Email: shari.dunn@comcast.net

URL:www.quixtar.com www.wfdb.org

Phone: (630) 272-4459 Ext:

**Company Representative**

Rep Name: Jatczak, Mark

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6520925 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer states that he went to a seminar 08/02/05 for Quixtar and Brit Worldwide, regarding a business opportunity. The consumer states that the company informed him that once in if he recruited people in he would make earnings off of what they were making. The consumer states that the company informed him it will cost \$200 to get started, whixh he didn't pay. The consumer wants to know if the offer is legitimate.

Created By: KSTUCK Created Date: 08/03/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 08/02/05

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Oklahoma City

State: OK Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 18 - 19



09/13/2006

LMARASCO

**Company**

Company: Quixtar and Brit Worlwide

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6514145 Contact Type: Complaint Source: Consumer TCS? N  
 Comments: Consumer wants to know if Quixtar is a legit company.  
 Consumer gave no contact info.  
 Created By: GGADSON Created Date: 08/02/05  
 Updated By: Updated Date:  
 Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
 Amt Requested: .00  
 Amt Paid: .00 Payment Method: Unknown  
 Agency Contact: Phone Complaint Date:  
 Initial Response:  
 Product/Service:  
 Statute/Rule:  
 Law Violation:

**Consumer**

Complaining Company/Org.:  
 Last name: (b)(6) First: (b)(6)  
 Address:  
 City: State: NR Zip:  
 Country: LOCATION NOT REPORTED  
 Work phone () Ext:  
 Fax Number: ()  
 Home Number: ()  
 Email:  
 Age Range:

**Company**

Company: Quixtar  
 Address:  
 City: State: NR Zip:  
 Country: LOCATION NOT REPORTED  
 Email: URL:  
 Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6495913 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I joined this company Jan.05..But didn't understand fully what it was all about & now think I do..I would like to take this time out to bring some attn to the concern that i have not only with Quixtar but MOST OF ALL THE IBO (Independent Business Owner)..Are you aware that Quixtar is paying these people money (base on PV/BV)which is the amount of orders they conduct through their business as a distributor ..But (as per some of the up links)you dont have to pay any TAXES on the extra earned income that you'll be making with them ..there is no restrictions on who can join (as per one of the IBO)you dont need a SS# to join! how is that possible you would need that info to file??? They said they are "approved by the FTC" (I have it on one of their cd).I hope you at the FTC will really look into this matter and stop making them slide! Quixtar they are very smart they pay sales tax on the ordered merchandise "but you the IBO are responsible for filing the appropriate tax forms" (Please note all the info gathered was based on IRS calls and Quixtar rep conversations, seminar's and CD's)all i'm asking is for you to look into the IBO's  
PLEASE TO KEEP MY EMAIL- ADDRESS CONFIDENTIAL AT ALL TIMES  
.Thank you

Created By: NSHOUSE Created Date: 07/29/05  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 300.00  
Amt Paid: 300.00 Payment Method: Bank Account Debit  
Agency Contact: Internet Complaint Date: 07/28/05  
Initial Contact: Internet (Other) Transaction Date: 01/01/05

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: Anonymous First: Anonymous

Address:

City: State: NJ Zip:

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 20 - 29

**Company**

Company: Quixtar Inc / Independent Business Owners

Address: 5101 Spaulding Plaza  
(as per the BBB web page)

City: Ada State: MO Zip: 49355

Country: UNITED STATES

Email: URL:Quixtar.com

Phone: (800) 253-6500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6494183 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer asks the meaning of a code "SA4400" which appears an instructional compact disc concerning starting a small business. The compact disc states that the code is an FTC approval code. The compact disc is sold by Quixtar Inc company. Consumer provided no email address. Consumer states that recipients are independent business owners who resell product rcv'd from Quixtar Inc, and may not be paying income taxes. UPDATE: 07/29/05. Consumer reports that Britt Worldwide (BWW), a company associated with Quixtar Inc, produces the compact disc which claims to have FTC SA4400 approval. JF.

Created By: JFLACK Created Date: 07/29/05  
Updated By: JFLACK Updated Date: 07/29/05  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 300.00  
Amt Paid: 300.00 Payment Method: Bank Account Debit  
Agency Contact: Phone Complaint Date:  
Initial Contact: In Person Transaction Date: 07/29/05

Initial Response:Mail

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Irviilngton  
Country: UNITED STATES

State: NJ Zip: (b)(6)

Work phone (b)(6) Ext:  
Fax Number:  
Home Number:

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Britt Worldwide

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

Company: QUIXTAR INC

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6396296 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer was invited by a friend to a reunion i his house. The meeting was ran by Quixtar, this company signs member to sell products and when a member sells a product, they get a commission. She has now received a bill from Quixtar for some merchandise that she never order nor received any commision.

Created By: RCELEDONIO Created Date: 07/11/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 1,118.40

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 01/01/04

Initial Response:Unknown

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Tempe

State: AZ Zip: (b)(6)

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (800) 2536500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6376498 Contact Type:Complaint Source:Consumer TCS? Y

Comments: MAIL: Consumer stated in a letter that she was offered a cooking set from Quixtar, Inc. Consumer was asked for \$1500 and she told them that she would not be able to pay the amount because she was unemployed. Consumer gave them her bank account information anyways. Consumer later found out that the company had debited \$300 from her checking acct. Consumer contacted Quixtar and was assured that they were going to fix the problem. Consumer then knew that had been sent to collections with ABC/Amega Inc. and they were charging \$1431.54, that includes a collection expense and interest. Consumer did not give an address for the company. Consumer did not have an email or a work ph number.

Created By: MRITZ Created Date: 07/07/05  
Updated By: Updated Date:  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 1,500.00  
Amt Paid: 300.00 Payment Method: Bank Account Debit  
Agency Contact: Mail Complaint Date: 06/21/05  
Initial Contact: In Person Transaction Date: 06/01/04

Initial Response: In Person

Product/Service: Shop-at-Home\Catalog Sales

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Tempe

State: AZ Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar, Inc.

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (800) 2536500 Ext:

**Company Representative**

Rep Name: Garibay, Luis

Title: Associate

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6373116 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: The consumer is calling about Quixtar. The consumer wants to know if the company is legitimate. The consumer states it is a work at home company. The consumer was referred to the website.

Created By: MBAUMGARTNER Created Date: 07/06/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 07/06/05

Initial Response: Unknown

Product/Service: Work-At-Home Plans

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Erie

State: CO Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()  
Home Number: (b)(6)

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6369976 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer is calling to report that Quixtar is a multilevel marketing program. Consumer states that everytime she creates her team the person above her is taking her team and coaxing them to make large purchases so that he will get a bigger check and she is left out. Consumer states that she was promised to make a large sum of money just by getting a team under her. Consumer states that she's contacted the company but is being ignored. Consumer did not provide an e mail address.

UPDATE: 10/04/05. MC. The consumer called to find out the status of her case and she was was explained the FTC role.MC  
UPDATE: 10/07/05 MAIL: The consumer's complaint was sent by the NY State AG. From the information she gave it is unsure exactly what the company did wrong. She did indicate that the company had "don't"s in the rules, but in training they were told to do many of these things; such as purchasing large amounts of items. She claims that by purchasing the items her team rcv'd "points" but she was unable to sell the product after it was purchased. She was also upset about how her "team" went around her and behind her back to conduct business. Did not indicate the amount spent on this company.DMB

Created By: GALCALDE Created Date: 07/06/05

Updated By: DBRAHLEK Updated Date: 10/07/05

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 01/01/03

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Valley Stream

State: NY Zip: (b)(6)

Country: UNITED STATES

Work phone:

(b)(6)

Ext:

Fax Number:

Home Number:

Email:

Age Range: 50 - 59

**Company**

Company: Quixtar

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (800) 2536500

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6344407 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I would like to call to your attention a company known as Quixtar, that is doing business in New Jersey and elsewhere. As you may know, Quixtar is a multi-level marketing and retail business that operates over the Internet and by word-of-mouth. I believe that Quixtar representatives in New Jersey make false claims to potential recruits. In particular, they claimed that by participating in Quixtar, an individual can make, at a minimum a comfortable annual salary and at a maximum, can generate an extraordinary amount of wealth and profit. Quixtar representatives did not substantiate these claims in any way and did not provide proof of income when asked. I believe that Quixtar uses such claims in New Jersey to recruit, among others, high school students, college students, and young professionals. Quixtar representatives actually discouraged these potential recruits from attending class and completing their studies by telling them that furthering their education is a waste of time because participation in the Quixtar business would ensure them lifelong prosperity. I believe that the FTC should thoroughly investigate Quixtar business practices and recruitment methods in New Jersey. UPDATE MAIL 07/11/05: The consumer has mailed us his above complaint now. No additional info was provided. MP

Created By: MPHILLIPS Created Date: 06/29/05

Updated By: MPHILLIPS Updated Date: 07/11/05

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/28/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Lincoln Park

State: NJ Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6247653 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I have been contacted by many IBO's in my area to Join Quixtar and they promised me that i could earn millions in the next 2 - 5 Yrs if i achieve the targets at certain level. However after joining the company i have asked to spend more on Tapes, CD's, Books, Seminars, Rally etc as a Motivational efforts to increase the volume. Hence i spent few more dollars on this (approx 700/-) but i am bit surprised and came to know that our Upline distributors makes most of their money by these motivational materials and not from Quixtar. Could you please advise if this is an legitimate business to deal with and advise why alone in the business model we are asked to spent most of \$\$ with regard to the Motivations..

This is not a compliant and its an information request that would help to determine the nature of this business.

Thanks

Created By: NSHOUSE Created Date: 06/13/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 300.00

Amt Paid: 300.00 Payment Method: Visa Credit Card

Agency Contact: Internet Complaint Date: 06/11/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

Marietta

City:

GA

State: GA Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

30 - 39

**Company**

Company: Quixtar, Inc

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone:

()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6244864 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer is calling on behalf of a co-worker. He believes that she and her friends are in a pyramid scheme with Quixtar.com. Consumer states that the company is more intrested in recruiting new people and not the product that they are supposed to be selling. He has no contact info on the person he is calling for.

Created By: SCRAWFORD Created Date: 06/13/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Internet Web Site Transaction Date: 05/30/05

Initial Response:Other

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 20 - 29

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Sapulpa

State: OK Zip:

(b)(6)

Country: UNITED STATES

Work phone (b)(6)

Fax Number:

Home Number:

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar.com

Address:

City: Aida

State: MI Zip:

Country: UNITED STATES

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6192549 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I haven't given anyone any money, and I haven't been suckered into anything. But like a lot of people, I recently wound up being brought by a friend to a Quixtar member's little seminar (neither my friend nor myself knew what was going on). We wound up sitting there for about an hour while we were told that instead of 'wasting money' on a college education, we could be making 2 to 3 thousand dollars a month (of course, there was a bunch of math involved that just came out of nowhere to jack the number up), just by 'buying products we would have bought anyways, just through Quixtar.' Of course, we'd be getting a commission on people that we recruited as well (the representative all but told us that we'd have to ideally recruit six people for this), and after a while they could go independent and we'd sit back and collect a 4% 'training bonus.' My friend asked some very blunt questions about it, and was told that he wasn't the type of person the company wanted, because they wanted people who would 'know it was a good thing' and wouldn't ask questions. My friend mentioned that he'd always heard that if something sounded too good to be true, it probably was-- and was told in return that old sayings like that were on par with sayings that suggested one could tell the gender of an unborn child based on how the mother was carrying it. Also, when asked if he was making this guaranteed 2 to 3 thousand dollars a month, the representative stalled for time by talking about how rude of a question that was (and, I admit, my friend was blunt, but that was mostly to gauge the rep's reaction) before admitting that 'on occasion' he made only 1 or 2 hundred dollars a month. The rep claimed that Quixtar has been around for about 30 years (of course, he neglected to mention the company's connection to Amway, which I found through some internet research). I know you get a lot of letters about this company. Well, here's another. I'm just concerned for my friends that he's contacted.

Created By: DBRAHLEK Created Date: 06/01/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 45.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 05/30/05

Initial Contact: In Person Transaction Date: 05/28/05

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Fairmont

State: WV Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

20 - 29

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: www.quixtar.com

URL:

Phone:

()

Ext:

**Company Representative**

Rep Name: Holland, Chaz

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6144285 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer is calling because he wants information on Quixtar. The consumer states the company asks for \$43 for the membership listing. The consumer has not sent the money, the consumer wants to know more about the company first. The consumer does not have a work number.

Created By: BBURGESS1 Created Date: 05/23/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 43.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Mail Complaint Date:

Initial Contact: Internet Web Site Transaction Date: 02/01/05

Initial Response:Internet/E-mail

Product/Service: Office: Ad Space\Directory Listings

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Holley

State: NY Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number:

(b)(6)

Home Number:

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6118275 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Quixtar is a pyrimad. Distributors are not encouraged to sell products but rather to recruit more distributors. They are also encouraged through group think to cut themselves off to the outside world by not watching tv or reading to anything other than approved materials. Distributors are made to buy a min. of \$250 worth of products monthly for a single person and nearly \$500 a month for couples. They do not sell these products rather they are attempted to earn points...1pt for 2.50 when you reach 500 points you earn 6% commission rate. This is not a multilevel marketing plan. Please do something to stop this company it may appear as they are doing business as such however they are ripping off distributors, they prey on the uneducated. I will keep complaining until something is done. Thank you.

Created By: DBRAHLEK Created Date: 05/16/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 05/14/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Monroe

State: NY Zip:

(b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6164449 Contact Type:Complaint Source:Consumer TCS? Y

Comments: CONTACT SENTINEL@FTC.GOV FOR MORE COMMENT INFORMATION. ALSO, TO PREVENT INTERFERENCE WITH PENDING ACTIONS, PRIOR TO ANY INVESTIGATIVE ACTION CONTACT THE IFCC AT SEARCH@IFCCFBI.GOV. One of the ditributors from Quixtar came to my apartment to sell vitamins. She signed me up as an IBO without telling me. She just told me there is enrollment fee just like Cosco membership fee. I noticed that there are Quixtar Marketing Plans in many different languages(Korean, Chinese, Spanish. . .) and recruiting mostly minorities in their native speaking languages.

Created By: IFCC Created Date: 05/15/05  
Updated By: Updated Date:

Org Name: Internet Fraud Complaint Center

Amt Requested:

Amt Paid: .00 Payment Method: Not Reported

Agency Contact: External Agency Complaint Date: 05/15/05

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: Not Provided by Org First:

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6005227 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was invited to a meeting where a presentation was given about a pyramid/MLM scheme run by Britt Worldwide involving the distribution of products sold by Quixtar. I figured out what was going on almost immediately, and checked into the companies involved afterwards. It appears that Quixtar has been reported to the North Carolina Attorney General for consumer fraud, and is closely related to the infamous Amway scheme. I was invited to a conference (\$100 ticket, plus \$100+ bus fee, plus misc other fees) in San Jose, but naturally, I will not be attending. I want to report these companies for running a pyramid scheme and attempting to defraud consumers. Looking through the FTC site, I see I am far from the first to report them, and wanted to add my voice. Thank you.

Created By: MPHILLIPS Created Date: 04/22/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 300.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 04/20/05

Initial Contact: In Person Transaction Date: 05/19/05

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Beaverton

State: OR Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar, Britt Worldwide

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: bwwna@bww.com

URL:www.bww.com

Phone: ()

Ext:

**Company Representative**

Rep Name: unknown, Mahadevan

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5925196 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer's mother called for the consumer. The caller didn't want to provide the consumer's information. The consumer wanted to file a complaint against Quixtar. The caller had limited information, but was concerned that the company is an illegal pyramid scheme and operates like a cult.

Created By: ASMITLEY Created Date: 04/07/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 01/01/05

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: Anonymous

First: Anonymous

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Taylor

State: SC Zip:

Country: UNITED STATES

Work phone (b)(6)

Fax Number:

Home Number:

Email:

Age Range:

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5916899 Contact Type: Request for Information Source: Consumer TCS? N

Comments: Consumer requests info about an internet based network marketing company called Quixtar, which is based on the original Amway Company. Consumer provided no email address.

Created By: JFLACK Created Date: 04/06/05  
Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Household Non-Durable Goods

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Hummelstown  
Country: UNITED STATES

State: PA Zip: (b)(6)

Work phone: (b)(6) Ext:  
Fax Number:  
Home Number:

Email:  
Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5859023 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Yesterday I met with a person who I was potentially looking to invest in and develop a long-term relationship with, helping him to develop a business using Quixtar as a servicing corporation. We were connecting in many areas and what we offer was fitting exactly with what he was telling me he wanted to do and accomplish. Today he left me a message and said he wasn't "interested" (as if I was trying to sell him something). I probed to find out what had changed overnight, and it seems that the major piece of his "research" was reading these complaints on the FTC web site. He seemed to have skipped the verbage shown for another company about how these complaints are not necessary verified by the FTC, and people can be about as speculative as they want and toss out words like 'pyramid', 'scheme', 'scam', 'sounds like something' without fear of libel, knowing that these 'complaints' have to be passed along by law.

Created By: MPHILLIPS Created Date: 03/25/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 03/24/05

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Dublin

State: OH Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5839023 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Where to begin? This company drove us into bankruptcy. Encouraged my husband spend thousands of dollars on overpriced products, and many more thousands of dollars on motivational books, tapes, and seminars. He was told he would never make any money at this 'business' if he didn't do these things. He was told if he did these things and 'worked the business' he would be 'financially free' in 2-5 years. Retail sales were not even secondary to recruiting others, they were somewhere at the very bottom of the 'to-do' list. As far as I can tell, less than 10% of all the products moved are to actual consumers, Quixtar makes it's money selling to it's recruits, and the various group leaders don't bother to explain that selling is necessary, because they make all their money off selling 'tools'. I don't understand why this obvious pyramid scheme is allowed to continue. Why doesn't the FTC enforce it's own rules? There is very little retail selling going on, and from everything I've read, retail sales are paramount to a pyramid scheme being legal. Our only debt before Amway/Quixtar was our mortgage. After 8 years, we were over \$50,000 in debt from charging our living expenses while my husband continued to 'pursue his dream', to the tune of \$3500 a year. His fault? Yes. But that doesn't change the fact that Quixtar/Amway and BWW is a scam.

Created By: DCRASE Created Date: 03/21/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 150.00

Amt Paid: 30,000.00 Payment Method:

Agency Contact: Internet Complaint Date: 03/18/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First:

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Britt, Bill

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5827281 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The caller was calling on behalf of his wife. The caller was requesting info on Quixtar. The caller reports that individuals with the company came into his wifes business and made numerous promises to her, also involving God, the company has disclaimers all of the internet informing people that they are not a cult. The consumer is having to pay money for motivational tapes, the consumer is also required to do all of her shopping on the internet, and the consumer is also not allowed to watch the news or read the paper. The consumer is having to pay money for motivational tapes, etc. The caller does believe that this is a pyramid scheme and his wifes life is completely changing due to this company. The reported by stated that he worries if his wife gets in deep with this company she will lose her marraige and business. The consumer has no address or phone number for the company. The consumer/caller have no home or email contact.

Created By: LANDREWS Created Date: 03/18/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 2,500.00

Amt Paid: 2,500.00 Payment Method: Cash

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 03/01/05

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Minerva

State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 50 - 59

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Minerva

State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 50 - 59

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5780281 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer called to report a complaint against Quixtar. Consumer reports that this company offers a pyramid scheme. Consumer reports that they wanted consumer to pay \$160 to sign up with them, and then he gets others to sign up, and the more people he gets, the more money he makes. Consumer has not paid the money. Consumer does not have email or work number.

Created By: JDIXON Created Date: 03/08/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 160.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 02/01/05

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: New Paris

State: PA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5767568 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer called wanting to know if the FTC rated companies. Consumer also requested information about Quixtar. Consumer states he signed up with Quixtar, a multi-level marketing company. Consumer did not have a complaint, but was referred the FTC website for information about Quixtar. Transaction date is approximate. Consumer provided no alternate #.

Created By: MRALEY Created Date: 03/07/05  
Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 160.00  
Amt Paid: 160.00 Payment Method: MasterCard Credit Card  
Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: St Louis

State: MO Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5765247 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer signed up to do business with Quixtar, a home based business selling home cleaning supplies, etc. Consumer was told he could not resell consumer items purchased from the company for resale. Consumer wasn't informed of this info until after signing up.

Created By: TKREYLING Created Date: 03/07/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 199.00

Amt Paid: 199.00 Payment Method: Check (Personal)

Agency Contact: Phone Complaint Date:

Initial Contact: Internet Web Site Transaction Date: 03/01/05

Initial Response:Internet/E-mail

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: El Paso

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number: (b)(6)

Home Number: (b)(6)

Email: (b)(6)

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5760302 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer saw an ad in the paper for a franchise opportunity in affilate marketing online. The company is called Quixtar.com. The consumer is trying to find out about this company and went to one seminar.

Created By: JPARLIAMENT Created Date: 03/04/05

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 40.00

Amt Paid: 40.00 Payment Method:MasterCard Credit Card

Agency Contact: Phone Complaint Date:

Initial Contact: Print Transaction Date:

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Honolulu

State: HI Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar Inc.

Address: 5101 Spaulding Plaza

City: ADA

State: MI Zip: 49355-

Country: UNITED STATES

Email:

URL:

Phone: (616) 7876000 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5727773 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My sister has recently become involved with this company and is being asked to recruit "IBO's". I believe she paid \$375 to become an IBO. This sounds just like a pyramid scheme to me and I am concerned because she is putting a lot of money and time into it. Please provide me any information you can on the legitimacy of this company. It sounds like they are brainwashing her. She spends money attending "meetings" all the time and has begun recruiting her friends into this business. She won't listen to my family when we tell her it's a scam. Is it?

Created By: DBRAHLEK Created Date: 02/25/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/23/05

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Richmond

State: VA Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City: Richmond

State: VA Zip:

Country: UNITED STATES

Email:

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5559721 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was never told about the 99.9% failure rate...same with everyone above me that got in. We were lured in with an offer to get in by "Franchising" and then lead to do marketing work for Quixtar.

Also, I was pressured right away to invest 100 dollars into a trip and never told about motivational tapes and books that I would HAVE to buy to become "Free" or "Successful".

Eric was also stuck into the system and forced to lie to people. I'm not sure if he would admit that or not.

Created By: RLOPER Created Date: 01/26/05  
Updated By: IBOLEN Updated Date: 02/07/05  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 169.00  
Amt Paid: 169.00 Payment Method: MasterCard Credit Card  
Agency Contact: Internet Complaint Date: 01/25/05  
Initial Contact: In Person Transaction Date: 01/11/05

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: San Antonio

State: TX Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar/Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:<http://www.Quixtar.com>

Phone: ()

Ext:

**Company Representative**

Rep Name: Becerra, Eric

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5559718 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Please stop these companies from scamming people. I was recruited into this business and brainwashed for 5 years. I have realizing that I will have to file bankruptcy to relieve my family from the major debt that was produced as a result of pouring tons of money into their "tools" and making none of the profit that was promised. Please close them down!!!!

Created By: RLOPER Created Date: 01/26/05

Updated By: IBOLEN Updated Date: 02/07/05

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/25/05

Initial Contact: Internet Web Site Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Jonesborough

State: TN Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar and Britt Worldwide

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com and www.bww.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5530136 Contact Type:Complaint Source:Consumer TCS? Y

Comments:

The following is what Quixtar has posted on their website as their business plan and the FTC's opinion of Quixtar. If this is true or not, please let me know.

The Quixtar Business Opportunity

The Quixtar business plan

In recent years, the Internet has provided expanded opportunities in commerce and communications. Unfortunately, the Internet also has provided a new channel for illegal activities, including pyramid schemes.

The Quixtar business opportunity stands apart from such schemes as a model of integrity. The Quixtar Independent Business Ownership Plan is based on a proven plan that has been used legally and successfully for the past 40 years. In fact, a FTC judge, supported by the entire Federal Trade Commission, deemed that the plan now used by Quixtar is legal. In fact, it has been considered the plan to be followed in its industry.

Our business plan, supported by enforcement of these rules, makes Quixtar a respected, viable business.

Created By: DCRASE Created Date: 01/20/05  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 50.00  
Amt Paid: 50.00 Payment Method: Bank Account Debit  
Agency Contact: Internet Complaint Date: 01/19/05  
Initial Contact: In Person Transaction Date: 10/15/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Newport News

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

(b)(6)

Age Range: 20 - 29

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5530127 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I find out about this great company called Quixtar. I paid 50.00 for an annual entry fee that gives you the rights to your own self-employed self-owned company that you can name whatever you want and sell product to anyone you want to. You are supposed to show the plan to approx 6 people and sign them up to do the same thing you are doing and sell product from Quixtar's online mall. You have to sign up members and clients. Clients are people who can buy from your company whenever for the normal cost and members are people who get the discounted IBO cost for products. A Quixtar IBO needs to sell approx \$250.00 worth of product every month. Some of that he can buy himself from his own company. For instance, you can buy MCI phone service from your self, because MCI, Circuit City, Whirlpool, Barnes & Noble, Bass Pro Shops and many other notable companies are involved with the growing Internet phenomenon called Quixtar. Half of the 250.00, however must come from members and clients. My upline just received his first check. It was a meager amount and less than your first check is supposed to be if you meet requirements, which was fine because he didn't meet all of the requirements. The point is, they got their first check as promised. His upline is almost to the \$50,000 level. However, I have heard horrible things about Quixtar being a pyramid scheme and a bad thing to get into and that you, the FTC, are after them in full force. I look into your own website and the only information you have is a handful of unhappy or just plain curious people asking you about Quixtar. If you could not only tell me what your opinion of Quixtar is, but also everyone by putting a link on your own site, I think it would clear up a lot of confusion one way or another about this business. So far, I have met and seen more than 10,000 happy Quixtar IBO's. My question is if this company is so bad, why is everyone making money?

Created By: DCRASE Created Date: 01/20/05  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 50.00  
Amt Paid: 50.00 Payment Method: Bank Account Debit  
Agency Contact: Internet Complaint Date: 01/19/05  
Initial Contact: In Person Transaction Date: 10/15/04  
Initial Response:  
Product/Service: Multi-Level Mktg\Pyramids\Chain Letters  
Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Newport News

State: VA Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar

Address: none

City: none

State: NR Zip: none

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6178623 Contact Type:Complaint Source:Consumer TCS? Y

Comments: SHE HAS INVESTED WITH THEM & IS BUYING THEIR MERCHANDISE. I TOLD HER THAT I CANNOT CONFIRM IF ITS LEGAL OR NOT LEGAL BUT WILL FAX HER THE INFO FROM INDUSTRY CANADA. I ALSO SUGGESTED THAT SHE TALKS TO A LAWYER ABOUT IT. TO CHECK THE WEBSITES FOR QUIXTAR & AMWAY.

Created By: PHNB Created Date: 01/10/05

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 192.00

Amt Paid: 192.00 Payment Method: Other Credit Card

Agency Contact: External Agency Complaint Date: 01/10/05

Initial Contact: In Person Transaction Date: 01/10/05

Initial Response: In Person

Product/Service: Investments: Other (note in comments)

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

State: PQ Zip:

Country: CANADA

Work phone: ()

Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (800) 4655470 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7980353 Contact Type: Complaint Source: Consumer TCS? Y

Comments: 1/10/2005 AMLudwig The complainant rec'd a letter asking to submit full personal identification to process Unredeemed gift certificate. I don't know of any \$32.00 gift.

Created By: USPS Created Date: 01/10/05

Updated By: Updated Date:

Org Name: US Postal Inspection Service

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 01/10/05

Initial Contact: Mail Transaction Date:

Initial Response:

Product/Service: Real Estate (not Timeshares)

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)

Last name: (b)(6) First: (b)(6)

Address: (b)(6)

City: BRONX State: NY Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number: (b)(6)

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 SPAULDING PLAZA

City: ADA

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7980355 Contact Type:Complaint Source:Consumer TCS? Y

Comments: 1/10/2005 AMLudwig The complainant thinks this is a scam, they want her SS#.

Created By: USPS Created Date: 01/10/05

Updated By: Updated Date:

Org Name: US Postal Inspection Service

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 01/10/05

Initial Contact: Mail Transaction Date:

Initial Response:

Product/Service: Real Estate (not Timeshares)

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: MARIETTA

State: NY Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 SPAULDING PLAZA

City: ADA

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 6179006 Contact Type:Complaint Source:Consumer TCS? Y

Comments: THE COMPLAINANT WAS APPROACHED BY A FRIEND TO SELL AND RECRUIT 9 OTHER PEOPLE AND SELL FROM THE QUIXTAR WEBSITE OR A CATALOGUE . THEY WANT HER TO RECRUIT 9 NEW MEMBERS TO PURCHASE \$ 200 OF MERCHANDISE AND SHE WOULD RECEIVE \$250 CASH. HER SURETE DU QUEBEC ADVISED OF 5 OR 6 OTHER REPORTS IN HER AREA AND ADVISED HER TO CALL US. APPARENTLY ITS THE SAME AS THE AMWAY COMPANY BUT NAME CHANGED TO QUIXTAR. THIS IS COMING OUT OF THE USA. APPARENTLY THE RCMP IS INVESTIGATING. \*\*\*UPDATE 06-JAN-2005 BY ANNETTE: AS PER MESSAGE LEFT ON JAN 4/05. I WILL NOT CALL HER BACK.

Created By: PHNB Created Date: 01/05/05

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 200.00

Amt Paid: 200.00 Payment Method: Unknown

Agency Contact: External Agency Complaint Date: 01/05/05

Initial Contact: In Person Transaction Date: 01/05/05

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: ST BENJAMIN DE LA BEAUCE State: PQ Zip: (b)(6)

Country: CANADA

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5455324 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Recently got involved in Quixtar.com/Britt World Wide. Seems to be on the up and up as a get rich slow scheme with multi-level marketing. I've heard a couple people tell me it sounds like a pyramid. I just wanted to hear from you to find in this company is legal and if so/not where would the line be drawn before I get myself further involved. A reply would be appreciated. Thanks for you time.

Created By: DCRASE Created Date: 01/03/05

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 115.00

Amt Paid: 115.00 Payment Method: MasterCard Credit Card

Agency Contact: Internet Complaint Date: 12/31/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: Marlton

State: NJ Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar/Britt World Wide

Address:

City:

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com and www.bwww.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5352454 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

I attended an "in-home" informational session with 3 representatives from Quixtar. All 3 of them flew from California to Minnesota for the 2 hour session. The business opportunity they presented was intriguing, but when they said the company was headed by previous Amway executives I became very suspicious. They often mentioned business "relationships" with companies such as Circuit City, Best Buy, and Microsoft. Now clearly they were dropping these name to add credibility. What they failed to explain "clearly" was the development, creation, and details of the relationships. Please let me know if this is a legitimate company and a legal way of earning money as this clearly falls under the "multi-level marketing" label. Thanks!

Created By: MPHILLIPS Created Date: 12/10/04

Updated By: IBOLEN Updated Date: 12/27/04

Org Name: PUBLIC USERS - CIS

Amt Requested: 100.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 12/08/04

Initial Contact: In Person Transaction Date: 12/04/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First: (b)(6)

Address:

City: Minneapolis

State: MN Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5323250 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer is calling because she had placed several calls to Quixtar in hopes to resolve a situation that the company did not resolve. The consumer is complaining because the company does not have a toll free number. The consumer was charged for placing the calls and does not feel like she should have to pay for it. The consumer does not have email.

Created By: DELLIOTT Created Date: 12/02/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 14.85

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 12/01/04

Initial Response:Phone: other

Product/Service: Buyers Clubs (not travel or lottery)

Statute/Rule:

Law Violation: FCRA: CRA - Provides Inadequate Phone Help

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Burke

State: VA Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Ext:

Fax Number:

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (616) 7877828 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5282273 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer has a complaint against Quixtar. Consumer states she was overcharged on sales tax by 54 cents. Consumer states her State and Local Sales tax rates are supposed to be 4.5%. Quixtar is charging her 5%.

Created By: MRALEY Created Date: 11/22/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Mail Transaction Date: 01/01/04

Initial Response:Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Burke State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (616) 7877828 Ext:

**Company Representative**

Rep Name: Mitchell, Ron

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5273033 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer's father is reporting for him. The consumer was invited to a demonstration about an internet related program/job/business. A possible name is Destiny Technology. The only website the father is aware of is Quickstar.com although there are others as well. So that if you refer people to buy at this website basically the person involved in the program gets a commission on sales made in the website. The person must pay \$247 to get access to this website (or another related one?) before they can be involved in the program. The reporter was asked by the consumer to check into whether this was legitimate. The reporter decided there were to many items he didn't know so he would give the ref. # to the consumer so the consumer could ask more focused questions. The reporter did not provide a phone # or e-mail for the consumer and the consumer's mailing address was incomplete. UPDATE 11/22/04 Consumer wants information on Quixtar. AB

Created By: WGRUMBLING Created Date: 11/19/04

Updated By: IBOLEN Updated Date: 02/07/05

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 11/19/04

Initial Response: Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)  
Address:

First: (b)(6)

City: Knoxville

State: TN Zip:

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range: 20 - 29

Complaining  
Company/Org.:

Last name:

(b)(6)  
Address:

First: (b)(6)

City: Medford

State: NJ Zip: (b)(6)

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: (b)(6)

Home Number:

Email:

Age Range: 50 - 59

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ( )

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5258431 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I am tired of being approached by Quixtar fraudster's on University campus promising me that I will make millions if I join as a distributor under them. This guy 'Girish' is a student at USC.  
Is there no respite from these con's even on campus? Please do something about this before it drives people insane.

Created By: DCRASE Created Date: 11/16/04

Updated By: IBOLEN Updated Date: 02/07/05

Org Name: PUBLIC USERS - CIS

Amt Requested: 240.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 11/11/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Los Angeles

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5255059 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer states she placed an order with Quixtar a multi level marketing company and they charged her the wrong sales tax which should have been 2.95. Consumer did not provide an alternate #.

Created By: AROGERS Created Date: 11/15/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 3.01

Amt Paid: 3.01 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date: 09/16/04

Initial Response:Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Burke

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5187710 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: I'm just looking for information about this company. I have read a couple of complaints on your web site. I also read a article somewhere that the FTC makes quixtar report a percentage of actually how many people actually make money. Please respond. MY, friend is trying to get involved with them but I'm curious and very doubtful of quixtar. If you can only point me to websites or links or reports from the FTC concerning quixtar I'll apreciated alot. My email is as follow (b)(6). Thank you very much

Created By: RLOPER Created Date: 10/28/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 10/25/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Houston

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ( ) (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: TX Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5476440 Contact Type:Complaint Source:Consumer TCS? Y

Comments: THE RCMP, DOES NOT HAVE THE INFO, BUT WILL HAVE COMPLAINANT CALLUS. SHE ONLY SPEAKS FRENCH, SO PLEASE UPDATE THE FILE, THANK YOU.

Created By: PHNB Created Date: 10/25/04

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 10/25/04

Initial Contact: In Person Transaction Date: 10/25/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: NORTE DAME DLOUDRES State: NB Zip: (b)(6)

Country: CANADA

Work phone () Ext:

Fax Number: ()

Home Number: () 0

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5128425 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: I was contacted by a friend concerning Quixtar. I've already heard this company was started by founders of amway, and it sounds to me suspiciously like a pyramiad. Please send me any information you can on Quixtar - is it legit, have complaints been filed previously, etc.?

Created By: RLOPER Created Date: 10/15/04  
Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS  
Amt Requested: 150.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 10/13/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: north augusta

State: SC Zip:

(b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5078610 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer is calling on behalf of his son to file a complaint against Quixtar, a multi-level marketing plan. Consumer states that Quixtar has been recruiting within the 'Home Halls' of his son's college. Consumer states that his son was asked to attend a meeting with Quixtar, where his son would have to pay an initial investment of \$150.00 to marketing Quixtar products through the internet, which his son paid on Sept. 27, 2004 via automatic bank debit. Consumer did not wish to provide any contact information for his son.

Created By: RALLGIRE Created Date: 10/04/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 150.00

Amt Paid: 150.00 Payment Method: Bank Account Debit

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 09/27/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: Anonymous

First: Anonymous

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 18 - 19

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: South Amboy

State: NJ Zip:

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 50 - 59

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 5255896 Contact Type:Complaint Source:Consumer TCS? Y

Comments: THE COMPLAINANT IS SUPPOSED TO PAY \$171 CDN TO JOIN THIS COMPANY. THE COMPLAINANT IN TURN IS SUPPOSED TO SIGN UP OTHER TO MAKE A PORTION OF THIER INITIAL FEE. IF THEY SELL PRODUCTS THEY WILL INTURN MAKE ADDITIONAL MONIES. THERE IS A MEETING TAKING PLACE TONIGHT @ 10 PM TIM HORTONS IN ALEXANDRIA.

Created By: PHNB Created Date: 09/13/04

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 171.00

Amt Paid: 171.00 Payment Method: Unknown

Agency Contact: External Agency Complaint Date: 09/13/04

Initial Contact: In Person Transaction Date: 09/13/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: ANONYMOUS First: ANONYMOUS

Address:

City: CORNWALL State: ON Zip:

Country: CANADA

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (613) 9335537 Ext:

**Company Representative**

Rep Name: WOLFE,

Title: :::::

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4945710 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was invited to see a "sucessful" person speak a couple days ago. When arriving it was a man promising riches if I followed this little plan they had layed out for us. I was skeptical and kept notes of anything odd about his speaking. And at one point he made the claim that Quixtar.com is supported by the FTC. I wrote this down and when I got home, I went online and searched your site, but found nothing. I went online and found that this was a pyramid scheme. He also made the claim at least 3 times that it WAS NOT a pyramid scheme. He also made several attempts to deter people from researching his company for its faults or to trusting anyones word except for these selected companies which he claims support quixtar. These included Microsoft, NewYork Times, Compaq and Disney. They also gave me some paperwork. One such paper states "Alticor a privately held, debt free, multi-billion dollar company is the parent company of Quixtar.com, Access Business Group, AAP, and several other companies. The owners of Alticor also own multiple sports franchises including the Orlando Magic basketball team. They also own five star resorts along with Peter Island a world renown get way in the British Virgin Islands."

I have witnesses to all these events if needed. I cannot recall the name of the man who was speaking, but I am able to find out.

Thanks for hearing my complaint and I hope you can take action against this company who is tearing families apart across the world.

Created By: DCRASE Created Date: 08/31/04  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 100.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 08/25/04  
Initial Contact: In Person Transaction Date: 08/23/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Newberg

State: OR Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

18 - 19

**Company**

Company: Quixtar - Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone:

()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4888018 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer called to report a complaint against Quixtar. Consumer reports that they promised a business opportunity to consumer. Consumer reports that they approached him wanting \$45.75 as an anual fee. Consumer reports that there would be a kit that he would have to buy as well. Consumer reports that he sees the research for them on the net, and found a lot of complaints.

Created By: JDIXON Created Date: 08/23/04

Updated By: IBOLEN Updated Date: 09/09/04

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 45.75

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 08/01/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: El Cohone

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number: (b)(6)

Home Number: (b)(6)

Email: (b)(6)

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4826175 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

Consumer was requesting information about Quixtar. Consumer states a friend of his was wanting to sign him up for a business opportunity. Consumer states his friend informed him that he could make commission based on the people he recruits. Consumer has not signed up with Quixtar. Consumer also requested information about Franet. Consumer states he went to a seminar about a franchise opportunity. Consumer states a rep claimed she would get a commission based on the number of franchisees she signs up. Consumer also requested information about the Enterprenuer Source. Consumer has not looked into this franchise opportunity.

Created By: MRALEY Created Date: 08/12/04  
Updated By: IBOLEN Updated Date: 09/09/04

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First: (b)(6)

State: ID Zip: (b)(6)

(b)(6)

50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:quixtar.com

Phone: () Ext:

Company: Franet

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:quixtar.com

Phone: () Ext:

Company: Enterprenuer Source

Address: unknown

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:quixtar.com

Phone: () Ext:

**Company Representative**

**Associated Company**

Company: Franet

Address:

City: State: Zip:

Country:

Phone: () Ext:

Reason: Other



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4804025 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I wsa contacted by a representative of the company and was told to lie to my customers and was not told of the necessity to have a retail base of customers and was basically told to lie and manipulate people. I have quit being an IBO for Quixtar and have retained some basic information from them that I can forward to you. I would be willing to testify against them that this an unhealthy pyramid and would like some action done against them.

Created By: DBRAHLEK Created Date: 08/09/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 150.00

Amt Paid: 150.00 Payment Method: Cash

Agency Contact: Internet Complaint Date: 08/03/04

Initial Contact: In Person Transaction Date: 05/20/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First:

(b)(6)

Address:

City:

Beaverton

State: OR Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar - Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: Jacobsen, Rob

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4803683 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My friend was recruited into an obvious pyramid-scheme business and since then they have been trying to recruit me into it also. They brought me to a presentation at an upscale local hotel where they presented the plan to me and then coerced me into a follow up personal meeting with some "recruiters" who intended to talk me into joining. I did some personal background research and I talked with my friend who is already involved with it and I found that Quixtar is actually making their money through the sales of motivational videos/books/tapes/etc. and the whole pyramid "Independent Business Owner" sales pitch really doesn't make them any money at all. Yet they are promising all who join the opportunity to make a substantial amount of money.

My complaint is that I believe that this company's dishonesty is taking extreme advantage of individuals who are in desperate situations (like my friend) and in search of some miracle way to save them from their financial woes. Once they are all joined into the program, they are not allowed to leave and talked into purchasing unbelievable amounts of the company's motivational materials, INCLUDING trips across the country to seminars/retreats, etc.

I am VERY worried about the welfare of my friend and others who join this in search of greater wealth. I hate to use the word "brainwash" but it appears that this is what has happened to anyone who joins this organization. Even after I explained the odds of success to her and the illegality of pyramid schemes, they reply with spoonfed responses that are obviously given to them by the company.

Please help me.

Thank you,

(b)(6)

p.s. This occurred in Phoenix, AZ but I listed the company's main headquarters in the address box above.

Created By: DBRAHLEK Created Date: 08/09/04  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 250.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 08/03/04  
Initial Contact: In Person Transaction Date: 07/01/04



09/13/2006

LMARASCO

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name: Anonymous

First: Anonymous

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

**Company**

Company: Quixtar

Address: 7575 Bolton St. E.

City: Ada

State: MI Zip: 49301

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (544) 7167 Ext:

**Company Representative**

Rep Name: Olvera, Elizabeth

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4794236 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was approached by an individual named Val at an Austin Barnes & Noble. He noticed I was looking at a videogame strategy guide, asked what I do for a living (I told him I just graduated law school and am looking for a job) and told me that he was starting up a business that dealt with net trafficking and he went into a description of it. He then asked if I would be available one evening to talk to him about it more. I agreed, and long story short, I got suckered into going to a Quixtar/Amway meeting. Putting aside that I was brought there under false pretenses, which is neither here nor there as far as I am concerned, I noticed two things about the meeting: 1) once people found out I am a lawyer, they stopped talking to me, and 2) the vast majority of the "guests" were immigrants, mostly Indian engineering students. I had the distinct impression that they had been targeted because of their minority status (in other words, they would be easier to manipulate), and that concerns me. So, that's my complaint. The speaker by the way was rather confusing, made references about numbers, but said that if the numbers didn't add up, it didn't matter much, that with hard work, we'd all make lots of money. Whatever. I left, and as far as I am concerned, I have no personal interest in what they do, but again, I am concerned about the seeming targeting of immigrants. Thanks.

Created By: SSANDISON Created Date: 08/05/04

Updated By: Updated Date:

Org Name: ECONSUMER.GOV

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 07/09/04

Initial Contact: In Person Transaction Date: 07/05/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:



09/13/2006

LMARASCO

Law Violation: Other (Explain in Comment Field)

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Austin

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:

**Company**

Company: Quixtar.com/Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4793864 Contact Type:Complaint Source:Consumer TCS? Y

Comments: A presentation was made(both video and in-person) regarding "Quixtar", an internet business. At no time, nor in any of the documentation, do they ever admit to the company being related to Amway. This is misleading and, as far as I'm concerned, misrepresentation. It should be clearly documented as such.

Created By: DBRAHLEK Created Date: 08/05/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 118.00

Amt Paid: 118.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 08/02/04

Initial Contact: In Person Transaction Date: 06/29/04

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Phoenix

State: AZ Zip: (b)(6)

Country: UNITED STATES

Work phone

(b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Hendricks, Elaine

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4787486 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Actually, the date above is not correct. I had to put in the date format you wanted. It was this month encouraging me to attend Robert Gault's plan under Kelby Brick about Quixtar. Kelby has contacted me few times before over the months since July 2003. There were a lot of deaf people in Maryland being convinced by Kelby and William (Bill) Millios to recruit a lot of people to be under the pyramid scheme, Quixtar, a.k.a. ISBO, sister of Amway. I do not have his actual e-mail address as only the e-mail address above, brick@nad.org, was only address I can remember, but he used other e-mail address of his own to contact me. He even used AOL Instant message to contact me few times. I was told by other people that he has annoyed others by contact them few times repeatedly attempt to recruit to join under his wing. Bill and Kelby and others are not doing it right. He just want his wife to stay home and enjoy the money they use from people. I want the Quixtar stopped. I want Bill and Kelby stopped. It is getting out of hand annoying people include me. It was the final straw when he e-mailed to my federal government e-mail address attempting to invite me to Robert Gault's home. I do not know what to do about it. Quixtar is a quick-rich scheme and is a sister of Amway. Please look up [www.ftc.gov/foia/quixtar.pdf](http://www.ftc.gov/foia/quixtar.pdf) and you will find a lot more complaints! Please help us. I have a group of people you can contact through me on this.

Created By: AHOWARD Created Date: 08/04/04

Updated By: IBOLEN Updated Date: 08/25/04

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 07/31/04

Initial Contact: Internet/E-mail Transaction Date: 07/11/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

Address:

City:

Bowie

Country:

UNITED STATES

Work phone

(b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 30 - 39

First:

(b)(6)

State: MD Zip:

(b)(6)

**Company**

Company: Quixtar, sister of Amway

Address:

City: Greenbelt

State: MD Zip:

Country: UNITED STATES

Email: brick@nad.org

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: Brick, Kelby

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4713449 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My cousin Harley met me at a family reunion 07/03/2004. When I e-mailed him greetings, he sent recruitment rhetoric for WWDB.Com, claiming I could make \$60k-\$1M/yr for 5-10 hrs/wk commitment. I replied I wasn't interested in MLMs, and I advised that he could continue to converse with me only if he stuck to other topics, else I'd block his e-mail. He replied with further sales rhetoric, so I blocked his e-mail; he then mailed me from another e-mail address, claiming that in addition to outrageous monetary gains, business participants have a 2% divorce rate vs >50% nationwide. I blocked the new address. I'm afraid my cousin is in deep financial and familial trouble and needs help; he also appears to be dangerous to members of the large (>1000) family. Anything you can do to help him realize his situation and extricate himself with his dignity intact would be surely appreciated. Full e-mail transcripts avail. from me.

Created By: DCRASE Created Date: 07/20/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 07/18/04

Initial Contact: Internet/E-mail Transaction Date: 07/05/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)  
Address:

First: (b)(6)

City: Ann Arbor

State: MI Zip: (b)(6)

Country: UNITED STATES

Work phone

(b)(6) Ext:  
Fax Number:  
Home Number:

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar Inc/WorldWide DreamBuilders Inc/Amway Inc

Address:

City:

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com , www.wfdb.com,  
www.amway.com, www.alticor.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Kaufman, Harley

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4707591 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My husband has been totally sucked into this pyramid scheme. We had to file personal bankruptcy after he spent over \$30,000 on "tools" (cheaply made cassette tapes, seminars, etc), money we could not afford, and all of which was covered by Visa, with the knowledge of his "business advisors" in his "upline".

Although there is acknowledgement of "the ten customer rule", it is done with a "wink and a nod". I don't know anybody in this organization who actually has 10 customers, other than their own downline.

The tapes business is absolutely bogus. There is no "end user", and the products (tapes, seminars, rallies, etc) are completely useless outside of the "business", if you can even call it that.

I believe in free enterprise, and I believe that my husband was free to choose to spend his money stupidly. But I am reminded of the "sweeps magazines", who were successfully sued for IMPLYING that a purchase was necessary in order to "win the grand prize".

Sure, those senior citizens were mighty gullible for believing that a) they had won, or b) they could increase their infinitesimal chance of winning by making purchases.

In much the same way, thousand, tens of thousands, or even hundreds of thousands of unsuspecting and gullible people are being sold the same bill of goods every day.

"The tools are optional - and so is success". I think Publisher's Clearinghouse took it's MO straight from the Amway/Alticor/Quixtar/BrittWorldWide playbook.

Created By: AHOWARD Created Date: 07/19/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 100.00

Amt Paid: 30,000.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 07/15/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: Not Provided by Org

First:

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

**Company**

Company: Quixtar/BrittWorldWide

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4685719 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer is calling to file a complaint against Quixtar. Consumer attended a seminar at a hotel. Consumer was not aware of what a pyramid scheme was and was told by a friend and that prompted his call to the FTC. Consumer paid \$143.18 on 06/23/04 and was told that he would earn money based on recruiting others and buying merchandise. There would also be a \$40.00 annual business fee. Consumer was referred to his state consumer protection agency as well as the state of the business, the BBB, and the Internet Fraud Watch hotline. Consumer did provide a work # or an email address.

Created By: RALLGIRE Created Date: 07/13/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 143.18

Amt Paid: 143.18 Payment Method: Cash

Agency Contact: Phone Complaint Date:

Initial Contact: Internet Web Site Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Troy

State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()  
Home Number: (b)(6)  
Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4635768 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer was requesting information about Quixtar. Consumer did not have a complaint. Consumer did not provide any other information. Consumer did not provide an alternative phone #.

Created By: MRALEY Created Date: 07/02/04  
Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Salem

State: OR Zip:

(b)(6)

Country:

UNITED STATES

Work phone

( )

Ext:

Fax Number:

(b)(6)

Home Number:

Email:

Age Range:

20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4633540 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer went to a meeting for a business called Quixtar. Consumer was told she could make lots of money. Consumer was told that Quixtar is FTC approved. Consumer was never really told how she would actually be making the money. Consumer purchased a start up pack for \$100.00 that was supposed to include her IBO number and a password. Consumer said that she felt pressured because when she went to the meeting everyone surrounded her and told her she only had 24 hours and needed to get the start up pack now.

Created By: ARIDNER Created Date: 07/02/04  
Updated By: Updated Date:  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 100.00  
Amt Paid: 100.00 Payment Method:Bank Account Debit  
Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 07/01/04

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Silver Spring

State: MD Zip:

(b)(6)

Country: UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4606312 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer is wanting to file a complaint against Quixtar. Consumer states that they are a bus opp. Consumer states that they have him buying tapes and voice mails on how to market and teach siminars. Consumer states that they have meetings and he had to pay for them. Consumer states that they were affiliated with Amway. Consumer states that they sold household items. Consumer was told in the beginning that this bus opp would make him a millionaire. Consumer states that over the years, he's paid them at least \$10,000. Consumer will check out info on the FTC's web site. Consumer has no work # or email.

Created By: JKIGHT Created Date: 06/25/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 10,000.00

Amt Paid: 10,000.00 Payment Method: Check (Personal)

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date: 01/01/94

Initial Response:Answer cold call

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Ft Lauderdale

State: FL Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (616) 7876000 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4592073 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The intent of this letter is to inform not only the FTC of serious side effects of the "cult like" business that quixtar resembles, but to initiate an awareness of the devastating results my family has experiences being associated with Quixtar.Four years ago my mother and stepfather were signed as IBO's in So.California.They were promised,if they followed the example of their upline exactly,they would be financially independent in 2-5 years.They would have to agree to purchase training materials such as books, tapes, and attend conferences with a "do or die" approach.My parents being in their mid fifties thought this was a perfect opportunity to supplement their retirement.Sadly, after four years of little profit, and many people enforcing the thoughts they weren't doing enough, my stepfather became depressed.He felt he let down his wife and the many people in his group counting on him. He became so brainwashed in such that he would not listen to others challenging the business as guided by the upline.He began to lose touch with reality and sought no advise,help or support from others than what the business was telling him.As the years progressed in the business he was made to feel like he just wasn't doing enough, even though he spent thousands of dollars on the support materials and seminars.After succumbing to the pressure and feelings of failure he took his own life on June 6, 2004. He left a letter behind stating specifically the business had made him feel like a failure,he had let everyone in his group down,and couldn't stand hearing anymore "no's" when showing the plan. Quixtar, I feel, is directly responsible for my stepfathers death. He had the biggest heart, was a solid christian man, and was loved by EVERYONE.Sadly, these are the type of people that are being brainwashed everyday by this company.Not only are they going into severe financial debt, but now people's lives are at stake.How can a "cult" like this be allowed to continue any longer?

Created By: JXHEINY Created Date: 06/22/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/21/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Corona

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:

Age Range: 30 - 39

**Company**

Company: Quixtar

Address:

City:

State: CA Zip:

Country: UNITED STATES

Email: quixtar.com

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4584415 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I am seeking information on a company that says it has been around for several years, Quixtar. I went with my son to a meeting who is only just signed on with this company. He wants me to sign on too. He is being drawn in by friends of his and is being promised that he will make big dollars fast. Care is being taken not to be too specific, but I did see a chart that said 75,000 a month at the top could be made within 3 months. At the bottom is 100 and you are told that you will make 3% of that. The more you spend the more you will make. If you get 9 friends to sign up, you will profit from their points, they get 3 friends to sign up and you will profit from their points etc. It is based on a point value system. I have done a little research. It is said that this company is affiliated with Amway. Is this true? The representative actually stated that Bill Gates created the website for this company and invested a large sum of his own money into the business (I believe he said \$25 million dollars). Is this true? The representative also said that the Attorney General in all 50 states knows of this business and it is all perfectly legal. He also talked about lawyers reviewing this and saying the same thing. At the meeting the topic of motivational tapes and paperwork was brought up, it was presented as optional. My son has brought home 2 CD's so far that he is borrowing from his friend to listen to. I know people who have been Amway distributors and this sounds just like it. Please send any information that would clear this up. Thank you. I am not giving the salespersons name as yet, I don't believe they are doing something wrong. I do, however believe they are becoming victims, just as my son is. I would like any information that you have.

Created By: DBRAHLEK Created Date: 06/21/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 40.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 06/17/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Leesville

State: LA Zip (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address:

City: State: MO Zip:

Country: UNITED STATES

Email: URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4496231 Contact Type: Request for Information Source: Consumer TCS? N

Comments: Consumer wants information on Quixtar, and was referred to the ftc website search.

Created By: RLOPER Created Date: 05/27/04  
Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Every Product\Service Code

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6)

First: (b)(6)

Address:  
City: Calgary State: AB Zip: (b)(6)

Country: CANADA

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

**Company**

Company: Quixtar

Address: unknown

City: Greensboro State: NC Zip:

Country: UNITED STATES

Email: URL:

Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4490196 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Deceptive practice of luring people into becoming Independent Business Owners for \$150. Promised that by investing 8-10 hours per week for 2-5 years, I could become Diamond and earn in excess of \$250,000yr from the Quixtar marketing plan, and be retired, and live off of the residual income. The income promised is NOT possible from the Quixtar MLM plan. I know you've investigated before, but PLEASE, go after this scam again. Quixtar is underhanded, deceitful, and they ignore the fact that their line of sponsorship leaders, purposely and with intent to defraud, use devious tactics to hook downline members.

Created By: DCRASE Created Date: 05/26/04  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 150.00  
Amt Paid: 150.00 Payment Method: MasterCard Credit Card  
Agency Contact: Internet Complaint Date: 05/25/04  
Initial Contact: In Person Transaction Date: 11/01/99

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

(b)(6)  
First:

Address:

City: Harrison Township

State: UT Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) t:

Fax Number:

Home Number:

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar, Inc.

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 48045

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (800) 2536500

Ext:

**Company Representative**

Rep Name: Zilch, Ted

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4486534 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer has no work # or email address. Consumer was requesting information about Quixtar.com. Consumer states Quixtar.com wants consumers to buy products off of their website. Consumer states she was told by Quixtar.com that to sign up as an independent business order, she had to register with the FTC. Consumer states there are charges and other fees. Consumer states she would have to recruit buyers to the website. Consumer states she is paid a commission for the people she recruits. Consumer did not have a complaint. Consumer did not provide any company information.

Created By: MRALEY Created Date: 05/25/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 115.00

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Contact: Internet Web Site Transaction Date: 05/25/04

Initial Response:Internet/E-mail

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Shawnee

State: OK Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 18 - 19



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4447043 Contact Type:Complaint Source:Consumer TCS? Y

Comments:

1. Selling the product was definitely discouraged and I was told to concentrate on getting people to the meetings, we'll do the rest, Retailing is not where the money is. In fact, when asked about the 50pv or 70% rule explained in the Rules of Conduct; I was told that we are quixtar, not amway, and we don't have to follow those rules. The fact that I printed them out from the quixtar website didn't seem to matter. The Richardsons are diamonds that have been in the business for years. I witnessed their presentations showing of the plan, and was involved in their training of us and other IBOs. They have no excuse for violating the Rules of Conduct or training others to do so also. We have been told over and over that All we have to do is buy things that we already buy anyway and get other people to do the same. Anyway money was repeated several times. We were told who wouldn't buy from their own business? Our group pushed 300pv a month which would cost approx \$900 because we just don't need all that soap!!!!!! I heard Tricia say that anyone that can't buy 100pv a month is a loser and not worth our time. So were the people who didn't participate in the system.
2. We were taught how to report the 50pv bought for personal use so that it would look like retail sales. I witnessed Tina Chance, (our upline platinum) show Shelley Moyers, (our sponsor) how to check everyone's downlines and make sure they have at least 50pv as retail sales and if they don't,,,,,how to change it for them!!!!!! In fact, I didn't do it - I reported the order as it really was (personal use) and someone in my upline changed my order (Moyers) in the system and told me I was doing it wrong!!!!!! I was told we are our own customers.
3. We never retailed any product and yet due to the upline changing my order-we received a bonus check each month.

Created By: JXHEINY Created Date: 05/17/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 250.00

Amt Paid: 250.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 05/14/04

Initial Contact: In Person Transaction Date: 09/18/03

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City:

Coatesville

State: IN Zip: (b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Moyers, Trevor

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4446524 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer saw a story on tv about Quick Star. The consumer is saying that he was involved with this company also. The consumer is saying this company defrauded him and alot of other consumer's.The consumer is saying that anyone who defrauds someone in this company should be put away, so they can not do this to anyone else. UPDATE: 05/17/2004 Consumer states that Quixtar claimed that you could make millions of dollars within a short period of time MK Updated 05-20-04: The consumer wanted to add that he called demanding the money back and still has not received it.MM UPDATE:05/20/04 The consumer spoke to Jill Bowen and left a message. The consumer has not heard back from them. The consumer states that he reimbursed the person who had originally put up the money with Quixtar, and Quixtar is telling him that the original person would be the one getting the credit for this and not the consumer. The consumer states that Quixtar is doing this to so many people that the company should be put out of business and they should be put in jail. The consumer states that they should be taken to court and put in jail for life. The consumer states that they defraud people telling them that they are going to get richer and richer, the more they sell. The consumer states that it is time for this to end. BS\*\*UPDATE\*\* 05/24/2004 Consumer calling back to say he would like the ftc to put an end to this company. RAL UPDATE: 05/27/04 Consumer states he received a notice from Quixtar about his refund. Consumer states he is getting the runaround from Quixtar. Consumer states members of Quixtar should be thrown in jail. MWR UPDATE 06/09/04: Consumer states he was not able to access the info for Quixtar on the FTC FOIA site, because the library will not allow him to download the Acrobat Reader. Consumer states its time for the government to do something about this. AB \*\*UPDATE: 07/13/04 MT\*\* Consumer says that he thinks the FTC, FBI, and FCC should go after Quixtar.

Created By: MPHILLIPS Created Date: 05/17/04

Updated By: MTHOMPSON1 Updated Date: 07/13/04

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 130.00

Amt Paid: 130.00 Payment Method: Cash

Agency Contact: Phone Complaint Date: 05/17/04

Initial Contact: In Person Transaction Date: 01/09/04

Initial Response:Mail

Product/Service: Bus Opps\Franchises\Distributorships  
Multi-Level Mktg\Pyramids\Chain Letters



09/13/2006

LMARASCO

Statute/Rule: FTC Act Sec 5 (BCP)  
Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Williston Park  
Country: UNITED STATES  
Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:  
Age Range: 30 - 39

State: NY Zip: (b)(6)

Ext:

**Company**

Company: Quick Star  
Address:

City:  
Country: LOCATION NOT REPORTED  
Email:  
Phone: (800) 2536500  
Ext:

State: NR Zip:  
URL:

Company: Quixtar / Amway  
Address:

City:  
Country: LOCATION NOT REPORTED  
Email:  
Phone: ()  
Ext:

State: NR Zip:  
URL:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4421284 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer was calling to verify wheneter they had been any complaints against Quixtar. Consumer was referred to FOIA website.

Created By: MKATEMA Created Date: 05/12/04  
Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: .00  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.: (b)(6)  
Last name: [Redacted]  
Address:

First: (b)(6)

City: Bufalo State: NY Zip:  
Country: UNITED STATES  
Work phone () Ext:  
Fax Number: ()  
Home Number: ()  
Email:  
Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar (Amway)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4419876 Contact Type:General Source: Consumer TCS? N  
Complaint

Comments:

The consumer is calling about Quixtar. The consumer states that her daughter became involved with Quixtar and they have lost alot of money to the company. The consumer states that her daughters financial situation gets worse every year. The consumer states that her daughter has lost her home to the company and spends alot of time and money travelling to Quixtar events. The consumer saw a Dateline episode about Quixtar, and is calling to say that she is glad this company is being looked into. The consumer states that her daughter has been involved with the company for approx. 7 years and her situation gets worse and worse. The consumer states that when she puts the company down, her daughter becomes very defensive. The consumer states that their lives are completely controlled by the company.

Created By: BSTURM Created Date: 05/12/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 01/01/97

Initial Response:Unknown

Product/Service: Every Product\Service Code

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Easton

State: PA Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 50 - 59

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4408626 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer states that she wants to put in a complaint against Quixstar. The consumer states that she has been with Amway also for years. The consumer states that she lost a lot of money with the above companies. The consumer states that the company was misleading and the consumer staets that she was tricked. The consumer states that she saw something on dateline. The consuerm states that they forced her into getting self help tapes and etc.

Created By: JPATTERSON Created Date: 05/10/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 20,000.00

Amt Paid: 20,000.00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date: 01/01/97

Initial Response:Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First:

(b)(6)

Address:

City: Sacramento

State: CA Zip:

(b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar (Amway)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4407266 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer states that he was going to join a multilevel marketing company named Quixtar. The consumer states that it was on Dateline. The consumer states that the company is asking for money in advance.

Created By: JPATTERSON Created Date: 05/10/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 140.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date: 05/10/04

Initial Contact: Phone Transaction Date: 05/10/04

Initial Response:Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Kingsport

State: TN Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: (/)  
Home Number: (b)(6)  
Email: (b)(6)

Age Range: 30 - 39



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4388372 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

This is not necessarily a complaint! What I am trying to find out is AS MUCH information as possible about the above mentioned company(s). I am supposed to attend a seminar tomorrow to hear about how to become an independent business operator of an internet (mall-type) business. I am a bit skeptical about the validity and practices of this company because I continue to hear the word "pyramid-marketing" when associating with them. Is this a valid company and where can I find their financial records since their conception in September 1999? If someone can contact me via email above it would be greatly appreciated!

Created By: BKEENE Created Date: 05/04/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 250.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 05/03/04

Initial Contact: In Person Transaction Date: 04/27/04

Initial Response:

Product/Service: Invest: Advice, Seminars

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Newtown Square

State: PA Zip: (b)(6)

Country: UNITED STATES

Work phone:

(b)(6)

Fax Number:

Home Number:

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar / Britt Worldwide

Address: unknown

internet based

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:quixtar.com or bww.com

Phone: ()

Ext:

**Company Representative**

Rep Name: von Wachter, Christoph

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4323996 Contact Type:Complaint Source:Consumer TCS? Y  
 Comments: Consumer found out that Quixtar is a pyramid scheme and he wanted to report the company. Consumer found out by going to a couple of meetings but not joining.  
 Created By: JJARAMILLO Created Date: 04/20/04  
 Updated By: Updated Date:  
 Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
 Amt Requested: 700.00  
 Amt Paid: .00 Payment Method: Unknown  
 Agency Contact: Phone Complaint Date:  
 Initial Contact: In Person Transaction Date: 09/01/03

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.: (b)(6)  
 Last name: (b)(6) First: (b)(6)  
 Address: (b)(6)  
 City: McKinney State: TX Zip: (b)(6)  
 Country: UNITED STATES  
 Work phone: () Ext:  
 Fax Number: ()  
 Home Number: (b)(6)  
 Email:  
 Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4250637 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer wanting information on a company called Quixtar. Information given, privacy policy given and referral to BBB. Consumer wonders if the company is a pyramid. Consumer reports that the company is not selling a product; they are selling access to a service. The focus is on getting more people into the organization with earnings dependent on that.

Created By: RLOPER Created Date: 04/02/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 04/02/04

Initial Response: In Person

Product/Service: Internet Access Services

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Denver

State: CO Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: (b)(6)

Home Number:

Email:

Age Range: 60 - 64



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: unknown

City: Greensboro

State: NC Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4223593 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: requesting info. on Quixtar? Consumer will contact the AG office.

Created By: LROBEY Created Date: 03/30/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 03/30/04

Initial Response: Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: LaTrobe

State: PA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (813) 7806175 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4194512 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I am interested in finding out if the quixtar business is supported by the FTC or if the FTC considers this business illegal or is unsupportive in any way.

Created By: DBRAHLEK Created Date: 03/25/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: 150.00 Payment Method: Discover Credit Card

Agency Contact: Internet Complaint Date: 03/24/04

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

Address: (b)(6)

First: (b)(6)

City: latrobe

State: PA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4238912 Contact Type:Complaint Source:Consumer TCS? Y  
 Comments: WAS APPROACHED BY A FRIEND. I EMAILED HIM THE INFO & SUGGEST THAT HE CALLS INDUSTRY CANADA FOR FURTHER ON SUSPECT COMPANY.  
 Created By: PHNB Created Date: 03/18/04  
 Updated By: Updated Date:  
 Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)  
 Amt Requested: 200.00  
 Amt Paid: 200.00 Payment Method: Unknown  
 Initial Contact: In Person Transaction Date: 03/18/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
 Last name:  
 Address:  
 City: MONTREAL State: PQ Zip: (b)(6)  
 Country: CANADA  
 Work phone: () Ext:  
 Fax Number: ()  
 Home Number: (b)(6)  
 Email:  
 Age Range: 20 - 29

**Company**

Company: Quixtar.com  
 Address:  
 City: State: NR Zip:  
 Country: LOCATION NOT REPORTED  
 Email: URL:  
 Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4148098 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumers complaint is forwarded by the GA Governor's Office of Consumer Affairs. Consumer writes that he was a registered Independent Business Owner for Quixtar. Consumer writes that Quixtar is a sister company of Amway Corporation. Consumer writes that he was encouraged to lie about his retail sales that did not occur. Consumer writes that at the time he was not aware of an FTC order requiring Amway to sell at least 70% retail to consumers who are not Amway distributors. Consumer writes that Quixtar also sells business support materials. Consumer writes that an unsuccessful business owner is told to buy more materials, and attend more meetings. Consumer writes that he spent \$3000 per year, with an income from the company of \$9-\$10 per month. Consumer will read the info sent. Consumer did not include his phone numbers or email address. Consumer did not include any contact info for the companies. Consumer did not include a transaction date. Consumer did not write any contact or response info. Consumer did not write the method of his payment to the company.

Created By: ABAUGH Created Date: 03/16/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 9,000.00

Amt Paid: 720.00 Payment Method: Not Reported

Agency Contact: Mail Complaint Date: 02/09/04

Initial Contact: Unknown Transaction Date:

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Atlanta

State: GA Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

**Company**

Company: Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4070552 Contact Type:Complaint Source:Consumer TCS? Y

Comments:

I was introduced to this " Opportunity " in April, 2003. It was presented as a online business opportunity" Building communities of people offline shopping online." The only activity of this company was to sell me BSM, Business Support Materials, AKA System. After I signed up 100% of the effort was selling the BSM, Audio Tapes and seminars.I recently discovered that these materials were a business within the business, and it was their main source of income. The Quixtar opportunity was presented as a company who made agreements with manufacturers to split their profits by supplying them with buyers at no cost to them, i.e. advertising. The idea being these consumers would come from the above mentioned " Communities " But instead the Quixtar business was siging up more IBO'S ( Independent Business Owners )buying products and signing up more IBO'S. In order to receive a bonus we were told to manually enter in a business volume that would indicate we were marketting the products through customers.The entire trust of this business was selling the BSM of which profits only went to higher " Uplines " To make matters worse the product pricing on Quixtar does not reflect any " Deals " with manufacturers. In fact many of the products are private label companies which Quixtar puts a huge mark-up on. Critics choice is a big provider which is owned by Access Business Group International, LLC, which is owned by Alticor, who are the owners of Quixtar, formerly Amway. This is the ultimate in mis-representation and surely a pyramid scheme. With the pricing there is no Quixtar opportunity. The main source of income is sales of the BSM. I request your immediate assistance in this matter.

Created By: DBRAHLEK Created Date: 03/02/04  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 233.00  
Amt Paid: 233.00 Payment Method: Other Credit Card  
Agency Contact: Internet Complaint Date: 03/01/04  
Initial Contact: In Person Transaction Date: 03/20/03

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

City: Las Vegas

Country: UNITED STATES

Work phone: (b)(6)

Fax Number:

Home Number:

Email:

Age Range: 50 - 59

First:

State: NV Zip:

**Company**

Company: Quixtar

Address: 7575 Fulton St

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (800) 253-6500 Ext:

**Company Representative**

Rep Name: Woodward, Orrin

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4031433 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This is more of an inquiry than a complaint. I have read your pages on multi-level marketing and illegal pyramid business plans. Quixtar, an online wholesale/retail store is a company that seems to operate in the manner that you refer to as illegal pyramid structure and multi-level marketing. It is backed by the same financial backer that funded AmWay and uses many of the same products. Both Quixtar and Amway are well known company names that people have made vast fortunes with. I once read that Gerald Ford was an Amway member. The question I have is, are these legal companies? If they are legal companies and the people operating within them are earning legal income, how do they differ from a Pyramid scheme or illegal multi-level marketing?

The representative that approached me did not present it as a "get rich" scheme. It was explained to me that the money I would earn would be a percent of total business sales accumulated from people I referred / or signed up to use the site. Sort of an online Costco or other wholesale company. It was made clear that the more people who you sign up as representatives who themselves could sign up others then the greater the percent commission of total monthly business volume you will receive. How is this different than any other business that operates on total sales commission?

Thank you for your time in responding to this question.

Respectfully,

(b)(6)  
Hood River, OR

Created By: DBRAHLEK Created Date: 02/26/04  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: .00  
Amt Paid: 122.00 Payment Method: Visa Credit Card  
Agency Contact: Internet Complaint Date: 02/25/04  
Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Hood River

State: OR Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4030124 Contact Type:Comments Source:Consumer TCS? Y

Comments: Consumer states that he has been offered a business opportunity with Quixtar a mulit-level mktg co, and wants to know if the company is legitimate or not? Consumer was given the FTC website.

Created By: LROBEY Created Date: 02/26/04

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 02/26/04

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: AUBURN

State: AL Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()  
Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (813) 7806175 Ext:

Company: BWWonline.com

Address:

City:

State: AZ Zip:

Country: UNITED STATES

Email:

URL:

Phone: (888) 7298775 Ext:

**Company Representative**

**Associated Company**

Company: BWWonline.com

Address:

City:

State: AZ Zip:

Country: UNITED STATES

Phone: (888) 7298775 Ext:

Reason: Affiliate



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4019501 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer is calling to report a Pyramid scam called Quixstar. The consumer is constantly being badgered by members to join. the consumer is reporting that the way money is made is by getting dealers to sign up. The consumer does not have a phone contact. The consumer is reporting that he has been fired from four jobs because of the activities of his upline/brothers.

Created By: DSAXON Created Date: 02/24/04

Updated By: IBOLEN Updated Date: 03/08/04

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 02/01/99

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Cudahy

State: WI Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3981224 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was invited to sit in as a guest to be recruited by quixtar. It was unknown to me what the name of the company was until I got there. I was told that I could make money by recruiting new members who would buy products online and I would receive a cut. How the hell is this legal? Please contact me as soon as possible so that I can fill you in on the details.

Created By: RBROWN1 Created Date: 02/13/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 130.00

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/11/04

Initial Contact: In Person Transaction Date: 02/10/04

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

Address:

City: Milford

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39

First: (b)(6)

State: CT Zip: (b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NY Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: Spiro, Steve

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3981214 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was invited to a seminar where I was told about an excellent opportunity to earn extra income via the internet. It relates to e-commerce selling of merchandise with large chains via a personalized website. The audience was offered few details on the actual business plan or model. In fact, when I attempted to ask questions, I was instructed to ask them personally to my "coach/mentor" who had brought me (as I was strongly discouraged from asking them aloud). It appeared that this was a pyramid scheme, similar to Amway, which I believe has run into several legal issues over the years with federal agencies. I am inquiring as to whether an investigation regarding this company exists, or is under consideration.

Cordially yours,

(b)(6)

Created By: RBROWN1 Created Date: 02/13/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/11/04

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Burtonsville

State: MD Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar

Address: 4630 Live Oak Ct

City: Ellicott City

State: MD Zip: 21043

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (410) 465 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3975751 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: My wife and I went to a meeting about starring your own internet business through Quixtar. We were told that they were approve by you. And we would like to know if it is okay or not, and if they are approved by you because we noticed a lot of complaints. Thank you

Created By: RBROWN1 Created Date: 02/12/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/10/04

Initial Contact: In Person Transaction Date: 02/09/04

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)

Last name: (b)(6) First: (b)(6)

Address:

City: State: OK Zip:

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4063470 Contact Type:Complaint Source:Consumer TCS? Y

Comments: WANTS THEM TO ATTEND A MEETING - CHARGING \$21.00/PERSON. HOW TO MAKE MONEY OR SOMETHING. I GAVE HER THE NUMBER FOR MCBS; INDUSTRY CANADA. SHE DOES NOT KNOW WHERE THE HEAD OFFICE IS SO I TOLD HER TO CHECK IF THEY ARE LICENCED TO WORK ACROSS CANADA.

Created By: PHNB Created Date: 02/12/04

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 21.00

Amt Paid: 21.00 Payment Method: Unknown

Initial Contact: Internet Web Site Transaction Date: 02/12/04

Initial Response:Internet/E-mail

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

State: NB Zip:

Country: CANADA

Work phone ()

Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4063776 Contact Type:Complaint Source:Consumer TCS? Y

Comments: COMPLAINANT FUTURE BROTHER IN LAW, APPROCHED HIM ABOUT JOINIG QUIXTAR, AND COMPLAINANT ATTENDED A PRESENTATION RAN BY BILL KERR. TO JOIN THEY \$ 65.00 , AND \$ 250.00 EACH MONTH TO PURCHASE PRODUCTS ON LINE. THERE IS ALSO A YEARLY FEE OF \$ 80.00. THEY ALSO WANT COMPLAINANT TO BRING IN OTHERS AND WILL GET A % DEPENDING ON HOW MANY PEOPLE YOU BRING IN. COMPLAINANT WAS GIVE THE NUMBERS OF THE MCBS, AND THE NUMBER OF THE CHAIN LETTERS & PYRAMIDS TO CALL.

Created By: PHNB Created Date: 02/10/04

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 315.00

Amt Paid: 315.00 Payment Method: Not Reported

Initial Contact: In Person Transaction Date: 02/10/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: HUNTSVILLE

State: ON Zip:

(b)(6)

Country: CANADA

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: QUIXTAR/ J. B. KERR ENTERPRISE INC

Address:

City: BARRIE

State: ON Zip:

Country: CANADA

Email:

URL:

Phone: (705) 3220987

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 4063862 Contact Type:Complaint Source:Consumer TCS? Y

Comments: AN AQUAINTANCE OF THE COMPLAINANT APPROACHED HER TO JOIN QUIXTAR. TO JOIN COSTS \$260 CDN TO GET A WEBSITE NUMBER TO DO ON-LINE SHOPPING. TO GET A RETURN - MUST SPEND \$250 PER MONTH. ALSO THERE IS THE NEED TO BRING IN OTHERS AND GET A PERCENTAGE FROM THEM. THE COMPLAINANT WAS GIVEN A BUSINESS CARD FOR CHRIS AND DON 250 722 3223 - C D ENTERPRISES.

Created By: PHNB Created Date: 02/09/04

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 260.00

Amt Paid: 260.00 Payment Method: Unknown

Initial Contact: In Person Transaction Date: 02/09/04

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: NANAIMO

State: BC Zip: (b)(6)

Country: CANADA

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: QUIXTAR / C D ENTERPRISES

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (250) 7223223 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3955317 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumers complaint was forwarded to the FTC from the State of Oklahoma Dept. of Securities. The consumer writes that Quixtar Corporation is running a pyramid scam, and is making unsubstantiated earnings claims. The consumer has provided extensive documentation of such instances. (30 pages)

Created By: MPURLEE Created Date: 02/07/04

Updated By: MPURLEE Updated Date: 02/07/04

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Mail Complaint Date:

Initial Contact: Internet (Other) Transaction Date: 12/22/03

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation  
Unsubstantiated Earnings Claims

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Charleston State: SC Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar Corporation

Address: 5101 Spaulding Plaza

City: Grand Rapids State: MI Zip: 49355

Country: UNITED STATES

Email: URL:

Phone: (616) 7877800 Ext:

Company: Team of Destiny Inc., Woodward Intl Networking Systems, Inc.

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: () Ext:

Company: World Wide Group, L.L.C.

Address: 717 S Pines Rd SE PO BOX 141124

City: Spokane State: WA Zip: 99214

Country: UNITED STATES

Email: URL:

Phone: () Ext:

**Company Representative**

**Associated Company**

Company: Team of Destiny Inc., Woodward Intl Networking Systems, Inc.

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Phone: () Ext:

Reason: Affiliate



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3826471 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was contacted by Mr. Friddle, his stepson who is a close friend of mine, and his wife about a business opportunity that they thought I may want to participate in. After attending one of the recruitment meetings I am now convinced that Quixtar is operating a pyramid scam. At the meeting I learned that Quixtar pays its' "IBOs" according to how much business they, as well the other people they recruit beneath them, do with Quixtar's website. Emphasis was placed on the recruitment of new members to do business with the website(\$250 a month minimum) while people higher up the pyramid make commission off these purchases. No product is sold to the public at large, and new "IBOs" are required to pay a \$220 activation fee. I was not personally harmed in any way by Quixtar or its representatives, however pressure was placed upon me to register at the meeting, which I did not do. However, I do believe that this business is illegal and some investigation into its business practices should take place.

Created By: WFRIDAY Created Date: 01/09/04

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 220.00

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/07/04

Initial Contact: In Person Transaction Date: 12/18/03

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First:

(b)(6)

Address:

City:

Uniontown

State: OH Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

18 - 19

**Company**

Company: Quixtar

Address: 5101 Spaulding Plaza

City: Grand Rapids

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (616) 7877134

Ext:

**Company Representative**

Rep Name: Friddle, Dave

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3753738 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: i would like some information on quixtar. if this is legitimate or another pyramid scheme? and how long they have been in business?

thank you

Created By: AHOWARD Created Date: 12/19/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 150.00

Amt Paid: 48.00 Payment Method: Bank Account Debit

Agency Contact: Internet Complaint Date: 12/16/03

Initial Contact: In Person Transaction Date: 11/23/03

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: great falls

State: MT Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: mease, mark

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3538984 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer contacted the State AG The consumer corresponded by mail The consumer sent documentation and a CD on Quixtar Amway business practices. The consumer beleives the operation is a pyramid. The consumer beleives he is a victim and has communication with thousands of other victiims that has lost tens of thousands of dollars and thousands of man hours in pursuit of a dream based upon deception.

Created By: WFRIDAY Created Date: 11/20/03

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Mail Complaint Date: 10/06/03

Initial Contact: Mail Transaction Date: 09/26/03

Initial Response:Mail

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Charleston

State: SC Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar (Amway)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:amquix.info

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3535006 Contact Type: Request for Information Source: Consumer TCS? N  
Comments: requesting info. on if there are any complaints on Quixtar.  
Created By: LROBEY Created Date: 11/19/03  
Updated By: Updated Date:  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: .00  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Phone Complaint Date:  
Initial Contact: Unknown Transaction Date:  
Initial Response: Unknown  
Product/Service: Other (Note in Comments)  
Statute/Rule:  
Law Violation:

**Consumer**

Complaining  
Company/Org.:  
Last name: anonymous First: anonymous  
Address:  
City: State: NR Zip:  
Country: LOCATION NOT REPORTED  
Work phone () Ext:  
Fax Number: ()  
Home Number: ()  
Email:  
Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 SPAULDING PLAZA

City: ADA

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: (813) 7806175 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3512107 Contact Type:Complaint Source:Consumer TCS? N

Comments: we ordered a microwave from her though the quixtar company and payed for it by check which was cash two days later, this company promises three to four day delivery she keeps telling us that it is on its way, it is now 11 weeks past we want the microwave or our money back! i have try to email the company and they keep telling me that i have to go though representative, thank you (b)(6)

Created By: TLENTON Created Date: 11/10/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 112.00

Amt Paid: 112.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 11/07/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Home Appliances

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Never Received Merchandise

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: alamosa

State: CO Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)  
Fax Number: (b)(6)  
Home Number: (b)(6)  
Email: (b)(6)

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: CO Zip:

Country: UNITED STATES

Email: Quixtar.com

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: heckler, angela

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3512094 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

This is not really a complaint...more of a question for my Economics class. On your website I read an article that some multi-level marketing companies are legitimate and others are pyramid scams. In the case of Quixtar, does the FTC consider it a legitimate MLM or a fraud? Is it true that more times than not when there are complaints about legitimate MLM's the problem lies more with the representative not telling someone how much work is actually involved to make serious income? And finally, what are the main distinctions that make a MLM business legitimate? We are looking into various business models in my class and I know that some of these businesses are honest and legitimate, even if some of the representatives are not. But I wanted some information in hand from a government agency for my students to look over as we study business models...from main street retailing to discount stores to multi-level marketing. I want them to know about this since many of them will be approached about one or more of them in the future. Also, if you could list off some that you feel are legitimate MLM's and some that the FTC has shut down in recent years, that would be great information for the class as well. Thank you for your help!

Created By: TLENTON Created Date: 11/10/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 11/07/03

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:



09/13/2006

LMARASCO

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First:

(b)(6)

State: IA Zip:

(b)(6)

(b)(6)

40 - 49

**Company**

Company: Quixtar

Address:

City:

Country: UNITED STATES

Email:

Phone: ()

State: MI Zip:

URL:

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3502570 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

I was recently approached by an Independent Business Owner of Quixtar about the opportunities available as a Independent Business Owner. It sounds like a typical pyramid scheme, however he assured me that it was not a pyramid scheme and was completely legal. Before i become involved with Quixtar I would like to know if it is in fact a pyramid scheme. Is there any lawsuits or legislation which would effect their business in the future?

Created By: DBRAHLEK Created Date: 11/05/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 100.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 11/04/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Durham

State: NH Zip:

(b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 18 - 19



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3499268 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I think that this is another Multi level marketing scheme that could be a illegal pyramid scheme. I was wondering if it is legitimate or a fraud , since I won't want other peoples to be a victim like 2by2.net

Created By: TLENTON Created Date: 11/04/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 45.00

Amt Paid: .00 Payment Method: Other Credit Card

Agency Contact: Internet Complaint Date: 10/10/03

Initial Contact: In Person Transaction Date: 10/09/03

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: san diego

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email: Quixtar\_PR@Quixtar.com

URL:<http://www.quixtar.com>

Phone: (616) 787-7000 Ext:

**Company Representative**

Rep Name: kim, jennifer

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3387612 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer was calling to report that she was invited for a meeting for a pyramid type of business. Consumer was told that she would be able to get discounts online.

Created By: MKATEMA Created Date: 09/23/03

Updated By: JOB: Set\_TCS\_Flag Updated Date: 11/07/03

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 126.00

Amt Paid: 126.00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Invest: Advice, Seminars

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First: (b)(6)

Address:

City: Kingfield

State: ME Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar -Amway

Address:

City: Kingfield

State: ME Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3271800 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer wished to remain anonymous. Consumer has a complaint about Quixtar. Consumer said that they have not been selling to any individuals other than their own distributors. Consumer said that she understands that this is illegal, and feels like this is an illegal pyramid scheme being offered by the company. Consumer was calling to inform the FTC of this company's illegal practices.

Created By: AHAUSE Created Date: 08/20/03

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 01/01/03

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: Anonymous First: Anonymous

Address:

City: Asheville State: NC Zip:

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3257388 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The issue here is that I have had many people approach me concerning "owning" my own business through Quixtar. Furthermore, the way that they find "clients" is by going to public shopping areas, bookstores, etc, in order to wrangle people in. Furthermore, person involved is to try and get as much as 12 to 20 people "under" and those people must in turn get 12 to 20 more people under them, and the process continues ad nauseum. Finally, each member refers to their status as a "client" as their own "business", but by formal business definition and practice, that is absolutely not the case.

Created By: DBRAHLEK Created Date: 08/18/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 08/17/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

State: TX Zip:

(b)(6)

City: Austin

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3241184 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

The business operations sound like a multi-level marketing pyramid scam, yet the BBB seal is included on their website. Is this company legal? If it is legal, is it moral? Should I recommend that people get involved with Quixtar, whether as an IBO or a consumer? Thank you for your time and energy in this matter. They are greatly appreciated!

Created By: SBUSTER Created Date: 08/11/03

Updated By: CIS1 Updated Date: 08/12/03

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 08/09/03

Initial Contact: Internet (Other) Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: [Redacted]

First: (b)(6)

[Redacted]

Address: [Redacted]

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email: [Redacted]

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: Quixtar\_PR@quixtar.com

URL:www.quixtar.com

Phone: (616) 787-7134 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3229536 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

This is not a complaint but is rather a request for information concerning Quixtar. I was approached about a month ago and was about to sign up before I discovered its connection with the company Amway. I would like to receive whatever information concerning Quixtar that you are able to send out. Also, I was told by the contact that the FTC uses Quixtar as a basis for judging just what falls under the category of a pyramid scheme; I would like this comment verified as well if possible. Thank you for your time and effort.

Created By: AHOWARD Created Date: 08/07/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 08/06/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address:

City: Cordova

State: TN Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 18 - 19



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3227297 Contact Type: Request for Information Source: Consumer TCS? N

Comments: This is NOT a complaint. I joined Quixtar & I am spending on conferences and "optional" business support material. When I had questions about Quixtar, I was always answered with a question, encouraged to do the same. IBOs are thought Human relations skills to handle people. The concept of "saving money" with tax deductions is emphasised, when spending money for the business. I did some homeworks, found out that Amway/Quixtar relies only on a single judgement passed in 1979. The business model looks sound (you get paid for advertising and buying products from quixtar ), lot of things remain murky (like, keep away from people who induce negative thought (against Quixtar), keep away from TVs, internet etc. Some one told me that there is a lot of malicious campaigning against Quixtar in internet, by many companies (like P&G) because the other companies are losing revenue because of people buying (better??) products from Quixtar and those companies pay people to campaign against Quixtar in the internet). I feel that laws and benefits which are written for Small Scale Business Owners (other than IBOs) are abused, just for personal gain. (Buying dress, phones, computer, house rent etc are tax write-off. I learnt that there is a 37 cent tax write-off for every mile that is traveled in car). I am a poor student and cannot afford to consult a Lawyer/CPA with this regard. I want your advise for few questions before I plan to get myself involved more seriously 1. Does this scheme rely on the 1979 judgement alone? 2. Are F1 students allowed to join this MLM scheme? 3. It seems that you cannot grow rich, just by having clients and members alone, rather, having your "downlegs" or sponsoring more IBOs and those IBOs sponsoring more IBOs and using Quixtar products, alone help you achieve certain financial gain/considerable income. Is it legal? I wish to clarify things. I wish to act according to your advise.

Thanks

Created By: AHOWARD Created Date: 08/06/03  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 104.00  
Amt Paid: 104.00 Payment Method: American Express Credit Card  
Agency Contact: Internet Complaint Date: 08/05/03  
Initial Contact: In Person Transaction Date:

Initial Response:



09/13/2006

LMARASCO

Product/Service: Other (Note in Comments)

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Tucson

State: AZ Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6):

Fax Number:

Home Number:

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

Rep Name: Mangipudi, Babu

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3325641 Contact Type:Complaint Source:Consumer TCS? Y

Comments: CONTACT SENTINEL@FTC.GOV FOR MORE COMMENT INFORMATION. ALSO, TO PREVENT INTERFERENCE WITH PENDING ACTIONS, PRIOR TO ANY INVESTIGATIVE ACTION CONTACT THE IFCC AT SEARCH@IFCCFBI.GOV. ON 07/02/2003 @ APPROX 6:00 PM A UPS DELIVERY DRIVER ARRIVED AT MY DOOR WITH A PACKAGE WHICH MY HUSBAND SIGNED FOR. I DIDN'T RECALL ORDERING ANYTHING TO BE DELIVERED RECENTLY AND I DIDN'T RECOGNIZE THE COMPANY FROM WHICH THE PACKAGE WAS SHIPPED. I RE-CHECKED THE SHIPPING LABEL AND THE PACKAGE WAS ADDRESSED TO ME. I OPENED IT AND FOUND TWO BOXES OF VITAMINS THAT I'VE NEVER HEARD OF NOR DID I ORDER WITH AN INVOICE BILLED TO MY CHECK-CARD FOR \$160.96. I IMMEDIATELY CALLED THE COMPANY TO INFORM THEM THAT THIS WAS A FRAUDULENT ORDER AND ON THE DAY WHEN THE ORDER WAS MADE (06/28/2003) I WAS WORKING AND PROBABLY DIDN'T EVEN ACCESS THE INTERNET THAT DAY. THE REPRESENTATIVE ASKED ME IF I KNEW SOMEONE BY THE NAME OF JEAN PIERRE BECAUSE THAT PERSON IS IN SOME WAY ASSOCIATED WITH THIS ORDER. I TOLD HIM I KNEW NO ONE BY THAT NAME AND DEFINITELY DID NOT PLACE THIS ORDER. I TOLD HIM I WANTED AN IMMEDIATE CREDIT AND TO BLOCK ALL TRANSACTIONS FROM MY CARD. HE TOLD ME TO RETURN THE ITEMS WITH THE POSTAGE PAID LABEL ON THE INVOICE AND IT WOULD BE TAKEN CARE OF. I NEXT CALLED MY BANK TO INFORM THEM OF THE INCIDENT AND CANCELLED ALL CARDS ASSOCIATED WITH THAT ACCOUNT. I REALLY WOULD LIKE TO KNOW HOW THIS PERSON OBTAINED MY INFORMATION AND PLACED THIS ORDER. AND I WOULD DEFINITELY LIKE THE MONEY CREDITED BACK TO MY ACCOUNT.

Created By: IFCC Created Date: 07/03/03  
Updated By: Updated Date:  
Org Name: Internet Fraud Complaint Center  
Amt Requested:  
Amt Paid: 161.00 Payment Method: Not Reported  
Initial Contact: Mail Transaction Date: 07/02/03

Initial Response:

Product/Service: Other (Note in Comments)

Statute/Rule:



09/13/2006

LMARASCO

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: JEFFERSONVILLE

State: IN Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 20 - 29

**Company**

Company: QUIXTAR INC

Address: 225 MICHIGAN ST NW

City: GRAND RAPIDS

State: MI Zip: 495999818

Country: UNITED STATES

Email: URL:

Phone: (800) 9507732 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3119325 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My son Ryan met Mr. Harrelson one day. Mr. Harrelson contacted Ryan again ond set up an interview for a possition of employment. I also attended the inteview. Ryan was misled by deceptive practices to have him sell products for Mr. Harrelson and Quixtar.

Created By: DBRAHLEK Created Date: 06/30/03

Updated By: HBUCKMON Updated Date: 07/07/03

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/29/03

Initial Contact: In Person Transaction Date: 06/19/03

Initial Response:

Product/Service: Employ Agencies\Job Counsel\Overseas Work

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Mesa

State: AZ Zip: (b)(6)

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar / Harrelson & Associates

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: (888) 5324165 Ext:

**Company Representative**

Rep Name: Harrelson, James Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3118721 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I requested a copy of my 9-02 monthly invoice statement, but the Corporation didn't send it to me. Also, I called about a week ago to ask for my April 2003 one, and was told that they're mailed out from two different offices, in two different envelopes, so I should be receiving mine shortly. Today I called, and was told the same thing by Kathy, but when I said I had called before, and waited for it, but it still hadn't come, she told me that in February 2003 the Corporation had changed the personal profile for every distributor below Platinum level so that the business mailing options would be changed to "no, you don't need to mail me my invoice statement". This was done without asking the distributors whether or not they wanted that. The excuse given to me was that the distributors could always go in and change it back. But it's taken me four months to realize that I haven't been getting them. It's possible that only mine was changed. Kathy was unwilling to confirm the above when I repeated it back to be sure I had understood it correctly. But her supervisor, Stacey Mattson, at first told me a different, incorrect statement that she said Kathy had told me. But when I asked her to put me on hold and check again with Kathy, she did, and came back on the phone with the above version, which she confirmed for the Corporation. But there could have been a subtle difference in wording that I didn't catch at the time. She might have only confirmed that it was done to me, and not to "all distributors below Platinum". If they only did it to me, I was targeted. If they didn't do it to all distributors, but told me that they did (Kathy), then may have left it vague (Stacey Mattson, supv.), so that I would still think so, but avoided confirming that part of the statement, then they gave me misinformation. UPDTE:7-8-04 Consumer wanted to know the status of her complaint. KRUPDTE:Consumer asked for publications on pyramid schemes. She go to FTC.GOVBJR UPDTE: PHONPublications.sg

Created By: RBROWN1 Created Date: 06/30/03  
Updated By: SGARNER Updated Date: 08/06/04  
Org Name: PUBLIC USERS - CIS  
Amt Requested: .00  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Internet Complaint Date: 06/27/03  
Initial Contact: In Person Transaction Date: 01/01/82

Initial Response: In Person

Product/Service: Bus Opps\Franchises\Distributorships  
Multi-Level Mktg\Pyramids\Chain Letters



09/13/2006

LMARASCO

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Burke

State: VA Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

50 - 59

**Company**

Company: Quixtar Corporation, Amway Corporation

Address: 7575 Fulton St. E

City: Ada

State: MI Zip: 49357

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (616) 787-7000

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3085288 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The above individual invited me to become an "independent business owner" for Quixtar for a fee of \$115. After i paid the fee with the idea that this was an authentic company, i found out thru my own investigation that the prices of their products were extremely excessive that they are unmarketable. The solicitor told me to acquire as many new sellers that i could get and i would make a commission from all their sales, as well as from mine own. I have spoken to a friend of mine who is familiar with the law and has alerted me that i have been scammed by a pyramid scheme that violates federal law. When i looked to find an address for this company, there was no address of a headquarters anywhere. This company purports to sell product legitimately, but as evidenced by the cost of their products to the supposed "IBO"s, this company is an actual fraudulent pyramid scheme that has taken advantage of me and im sure of many others. As you will see, there is no room possibility of profiting from their prices. I hope this company is investigated and shut down. Thank you.

Created By: NSHOUSE Created Date: 06/18/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 115.00

Amt Paid: 115.00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 06/17/03

Initial Contact: In Person Transaction Date: 06/16/03

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: MIAMI

State: FL Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39

**Company**

Company: QUIXTAR (WWW.QUIXTAR.COM) may have other name

Address: UNKNOWN

City: UNKNOWN

State: NR Zip: UNKNOWN

Country: LOCATION NOT REPORTED

Email: support@quixtar.com

URL:WWW.QUIXTAR.COM

Phone: (1800) 9507732 Ext:

**Company Representative**

Rep Name: SALGUERO, CARLOS

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3049732 Contact Type:Complaint Source:Consumer TCS? Y

Comments: 1) Indicated he had no consumers (nor plans to include consumers) outside of downline IBO's and that the purpose of the business was not to retail products to customers but to get more people to become IBO's and to purchase personal consumption items through the program. The only profit mechanisms he said existed were to get rebates from your own purchases and to coerce other people into becoming IBO's. The client and member designations were for retail businesses, and they had no place in how this Quixtar business should be run as this is not a retail operation to sell a good to an ultimate user (other than yourself and IBO's).

2) Initially indicated that it would cost \$125 to join but later said necessary training costs would amount to just over \$1300 for first year and that the training costs would not benefit upline individuals. (I somehow suspect that that's untrue.) He said Britt Worldwide would solely receive the training money. When I asked if there were any other expenses for the first year, he said no. I don't know if there is a minimum monthly purchase requirement. I've e-mailed him to ask.

3) Indicated that the company was in no way related to Amway (which he said was out of business) and that Quixtar has been in business for 50 years and was challenged three times by the FTC, but each time Quixtar was declared legal.

4) Stated that state business license was proof that the U.S. Attorney General and the A.G. of every state had approved this marketing program as legal. (The Virginia A.G.'s office says it does not approve business opportunities in that way.)

Created By: AHOWARD Created Date: 06/06/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 1,300.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 06/05/03

Initial Contact: In Person Transaction Date: 06/04/03

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Hood

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar

Address: meeting at private home

City: Greene County

State: VA Zip:

Country: UNITED STATES

Email: purks@quixnet.net

URL:www.dreamerenterprises.com (use  
password: freedom)

Phone: () Ext:

**Company Representative**

Rep Name: Purks, David

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3043770 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

My younger brother has attended one of Quixtar's recruiting seminars and is contemplating signing up. He explained to me how it works and it sounds like the same concept as the company called Trek Alliance, Inc, which has had injunctions brought against it for multi-level marketing. I was wondering if there have been any complaints about this company and if there had been any investigation into it. If not, perhaps it should be looked at as it uses the Independent Business Owner idea and the same recruiting idea as is outlined in the case FTC v. Trek Alliance, Inc., et al. (Cent. Dist. Of Calif.) If any further information is needed, I may be contacted via the information given above, and I will do what I can. Thanks!

Created By: RBROWN1 Created Date: 06/04/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/03/03

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Ankeny

State: IA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: (b)(6)

Home Number:

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:<http://www.quixtar.com>

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 3022302 Contact Type:Complaint Source: Congress TCS? N  
 Comments: Product not identified  
 Created By: DMCCRACKEN Created Date: 05/30/03  
 Updated By: DMCCRACKEN Updated Date: 05/30/03  
 Org Name: Office of the Secretary  
 Amt Requested:  
 Amt Paid: Payment Method:  
 Initial Response:  
 Product/Service: Other (Note in Comments)  
 Statute/Rule:  
 Law Violation:

**Consumer**

Complaining  
 Company/Org.: (b)(6)  
 Last name: (b)(6) First: (b)(6)  
 Address:  
 City: Lodgepole State: NE Zip: (b)(6)  
 Country: UNITED STATES  
 Work phone () Ext:  
 Fax Number: ()  
 Home Number: ()  
 Email:  
 Age Range:

**Company**

Company: Quixtar  
 Address:  
 City: State: NR Zip:  
 Country: LOCATION NOT REPORTED  
 Email: URL:  
 Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2999018 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Company reps promise lucrative income opportunities through hard work (which is fine). The problem I have with the co. is that they fail to tell potential IBO's that the average ACTIVE IBO makes 150 per month. In addition, other company stipulations are not addressed prior to agreement. I was given terms and conditions after paying to become an IBO. In addition I asked if they were affiliated with AMWAY and was assured that they were not. This seems quite "odd" considering that they sell Amway products.

Created By: DBRAHLEK Created Date: 05/20/03  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 105.00  
Amt Paid: 105.00 Payment Method: Check (Personal)  
Agency Contact: Internet Complaint Date: 05/19/03  
Initial Contact: In Person Transaction Date: 05/07/03

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Waterford

State: CT Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: CT Zip: 06385

Country: UNITED STATES

Email:

URL:<http://www.quixtar.com>

Phone: ()

Ext:

**Company Representative**

Rep Name: Saint, Jill

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2978723 Contact Type: Request for Information Source: Consumer TCS? N

Comments:

I do not have a problem or complaint. I am curious to what information you can offer me on the Quixtar company. It seems like a great deal and a wonderful concept. Is this business a genuine business or is this an illegal pyramid scheme?

Created By: TLENTON Created Date: 05/12/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 05/10/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Other (Note in Comments)

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address:

City: State: FL Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2924618 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Please validate for me the upstanding, ethical structure of Quixtar.com I have no complaint, this is an inquiry as to if you would send me a statement authenticating the validity of this wonderful, legally-operating corporation. If someone accesses the FTC website and does a search for Quixtar, it shows only complaints filed against distributors, or allegedly the corp., but it doesn't state what, if any, action will or will not be taken. Please confirm that no action is necessary against this ethical corporation, as I need to validate the fact for several interested parties. Thank you so much. It is very appreciated.

Created By: DBRAHLEK Created Date: 04/22/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 04/21/03

Initial Contact: Internet (Other) Transaction Date: 09/01/99

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

Address:

(b)(6)

First:

(b)(6)

City:

Ashland

State: WI Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Ext:

Fax Number:

Home Number:

Email:

Age Range:

30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: MI Zip:

Country: UNITED STATES

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: not applicable, not applicable Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2848152 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My son, (b)(6), has been coerced into joining Quixtar late last fall on what I think is a pyramid scheme similar to Skybiz. I cannot get through the brainwashing techniques that they use in their "meetings" to convince all the "member" or IBO's to keep buying all their marketing materials and make millions. Is there an official investigation currently on-going that I could point to for my son or do I have to wait for all the money to be spent before I can do anything?

Created By: NSHOUSE Created Date: 03/28/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 03/27/03

Initial Contact: In Person Transaction Date: 10/01/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City: Allison Park

Country: UNITED STATES

Work phone:

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First: (b)(6)

State: PA Zip: (b)(6)

(b)(6) xt:

40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2838001 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

I am trying to find out about any actions the FTC has taken against the Amway/Quixtar corporation. My internet research indicates that many actions and investigations have been taken/made by the FTC. I am trying to confirm this because several friends have signed up and this business seems to be a scam.

Created By: DBRAHLEK Created Date: 03/25/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 03/24/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Nanuet

State: NY Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) xt:

Fax Number:

Home Number:

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2776345 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My nephew started to get involved with this company in February of 2002. Since then he has spent over \$4000.00 in this business that tells him he will retire in 2 years after making millions of dollars. They encourage young teenagers and college students to recruit people into this business. They tell them that people who have jobs are slaves and stupid and that Quixtar will give them Freedom. They also encourage these young people into holding meetings with strangers in hotel rooms. He is no longer the same person and actually believes these people. He is now failing school because he spends all his time working for these people. They are now starting to incorporate religion into their scheme. What can I do about this?

Created By: DBRAHLEK Created Date: 03/04/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 250.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 03/02/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Pueblo

State: CO Zip:

(b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar / Amway

Address: 5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (1-800) 253-6500 Ext:

**Company Representative**

Rep Name: Steve, Meyer

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2740887 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My friends are investing in this company. I see them spending more than they are earning through this company. I would like to know if this company is a scam and even legal. Is it considered a pyrimid.

Created By: NSHOUSE Created Date: 02/20/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/19/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Paso Robles

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number: (b)(6)

Home Number: (b)(6)

Email: (b)(6)

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2725149 Contact Type:Request for Information Source:Consumer TCS? Y  
Comments:

I have read many complaints from people who have fallen victim to a company called Quixtar. I was told that it is a developing on-line based company where its similar to a virtual shopping mall. I am suspicious and uncomfortable in whether to participate or not in their money-making business opportunity; after reading so many complaints from your FOIA. One of the Quixtar representative, Mark Karake, approached me in a Barnes and Nobles bookstore. He convinced me about a developing online business opportunity. Without further details, I had to go to one of their meetings to learn more about it. When I was at their meeting, it sounded like a pyramid scheme since a pyramid was drawn and recruiting new members was emphasized. They say that this is an opportunity to learn how to make your own business. But they never specify how. I know that he is patiently waiting for me to get an i.b.o (independent business owner) number but I refuse until that I have proof that "Quixtar" is a legitimate business. I would like for you to investigate into this company and send me strong supporting facts about their legal/illegal business. I have given Mark a list of friends names and it seems to worry me. I am starting to regret doing that after reading all the complaints about this company. Please contact me as soon as possible, I would prefer contact through e-mail (b)(6)

I should have felt suspicious since the start.

Created By: AHOWARD Created Date: 02/12/03  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 180.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 02/11/03  
Initial Contact: In Person Transaction Date: 11/06/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:



09/13/2006

LMARASCO

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: San Jose

State: CA Zip

(b)(6)

Country: UNITED STATES

Work phone ()

Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar

Address: N/A

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:<http://www.quixtar.com/>

Phone: ()

Ext:

**Company Representative**

Rep Name: Karake, Mark A.

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2690494 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

This isn't really a complaint I just want to know the responses of all the complaints you have received. I found a larg list but there is no responses just the complaints. Did quixtar resolve them and were they really complaints on quixtar or the individual representing them? Thanks for your time (b)(6)

Created By: AHOWARD Created Date: 01/29/03

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Not Reported

Agency Contact: Internet Complaint Date: 01/28/03

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Telephone: Pay-Per-Call\Info Services

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Tacoma State: WA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email: (b)(6)

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2696224 Contact Type:Complaint Source:Consumer TCS? Y

Comments: THE COMPLAINANT WORKS FOR A CONSUMER AGENCY IN MONTREAL, SHE HAS BEEN RECEIVING INQUIRIES FROM CONSUMERS WHO ARE SEEKING INFORMATION ON THE ABOVE ORGANIZATION. I PROVIDED THE CALLER WITH INDUSTRY CANADA'S TOLL FREE NUMBER. SHE WILL CALL BACK WITH ANY ADDITIONAL INFORMATION.

Created By: PHNB Created Date: 01/21/03

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested:

Amt Paid: Payment Method:

Initial Contact: Phone Transaction Date: 01/21/03

Initial Response:Phone: other

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: [Redacted]  
Address: [Redacted]

First: (b)(6)

City: MONTREAL

State: PQ Zip: (b)(6)

Country: CANADA

Work phone (b)(6) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (800) 2655470 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2645040 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Jim Allen contacted my husband and myself about joining Quixtar as Independent Business Owners. He did not fully disclose that we would need to purchase products to gain bonus money and we would in essence, be part of the former Amway business scam. He also did not inform us that our success within the "business" would revolve around recruiting clients to purchase these Quixtar products. He informed us training is provided, however, he did not inform us that training and business seminars are provided to help us succeed for a fee to be paid by my husband and myself. He then told us that we do not need to purchase any training materials, but if we choose not to, our success would be greatly limited. I feel we were not given all the details on Quixtar, including the fact it is a branch of Amway, and I would like to make a complaint and I am going to begin to attempt to get the \$124.00 refunded that I paid by Visa.

Created By: DHARRIS Created Date: 01/08/03

Updated By: JMOORE Updated Date: 01/09/03

Org Name: PUBLIC USERS - CIS

Amt Requested: 124.00

Amt Paid: 124.00 Payment Method: Visa Credit Card

Agency Contact: Internet Complaint Date: 01/07/03

Initial Contact: In Person Transaction Date: 12/07/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First:

(b)(6)

Address:

City: Little Chute

State: WI Zip:

(b)(6)

Country: UNITED STATES

Work phone ()

Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar Inc/World Wide Dream Builders

Address: Document processing (SC-1U)

5101 Spaulding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (800) 253

Ext:

**Company Representative**

Rep Name: Allen, Jim

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 7977470 Contact Type:Complaint Source: Consumer TCS? Y

Comments:

Created By: USPS Created Date: 01/04/03

Updated By: Updated Date:

Org Name: US Postal Inspection Service

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 01/04/03

Initial Contact: Mail Transaction Date:

Initial Response:

Product/Service: Real Estate (not Timeshares)

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: NEW BRUNSWICK

State: NJ Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

**Company**

Company: Quixtar

Address: 5101 SPAULDING PLAZA

City: ADA State: MI Zip:

Country: UNITED STATES

Email: URL:

Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2502984 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

The consumer is involved with a company and wanted to know if she could get information on the company. The consumer was introduced to the company through a friend's presentation. The consumer is an independent business owner through the company and a friend told her that the FTC had endorsed the company. The consumer wanted to know who the former chairman of the FTC was.

Created By: SFORBES Created Date: 11/08/02  
Updated By: SFORBES Updated Date: 11/08/02  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: .00  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Phone Complaint Date:  
Initial Contact: In Person Transaction Date: 05/20/02

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Birmingham

State: AL Zip: (b)(6)

Country: UNITED STATES

Work phone (b)(6) t:

Fax Number:

Home Number:

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (800) 2536500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2499018 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

The consumer's son is in college and has friends who are trying to get him involved in Quixtar. The consumer wanted to check on the background of the company to find out if it was legitimate or not. The consumer was advised that the complaints that the Federal Trade Commission takes are kept confidential until such time as an action is taken by the Commission against a company. The consumer was referred to the Better Business Bureau.

Created By: SFORBES Created Date: 11/07/02

Updated By: SFORBES Updated Date: 11/07/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 11/07/02

Initial Response: Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: State: AL Zip:

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address: Unknown

Unknown

City: Unknown

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (xxx) xxxxxxxx Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2444151 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Dr. Shapiro misrepresented himself, the company, he lied about everything, said he would pay me back for tools and did not reimburse me in full, stole potential customers from me, held comission checks and, quixtar claims that if you place your order through your upline the combined orders will eliminate shipping charges if the orders total \$750.00. Dr. Shapiro was at a level where his orders were more than that and I never received any discounts on shipping while ordering directly through him. The free shipping never passed downline at all.

Created By: MGARMAN Created Date: 10/23/02

Updated By: IBOLEN Updated Date: 11/15/02

Org Name: PUBLIC USERS - CIS

Amt Requested: 153.00

Amt Paid: 2,000.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 10/22/02

Initial Contact: In Person Transaction Date: 04/01/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Wynnewood State: PA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email: (b)(6)

Age Range: 40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: MI Zip:

Country: UNITED STATES

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Shapiro, David

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2460831 Contact Type:Complaint Source:Consumer TCS? Y

Comments: THE COMPLAINANT WAS APPROACHED BY A FRIEND OFFERING HIM SOMETYPE OF PYRAMID MERCHANDISE. THE COMPLAINANT WOULD HAVE TO PURCHASE HIS HOUSEHOLD PRODUCTS THROUGH THE COMPANY AND IN RETURN HE WOULD GET SHARE FROM HIS PURCHASE AND ANYONE WHO HE RECRUITS UNDER HIM. THE COMPLAINANT'S CONCERN IS WITH THE CONTRACT. THE COMPLAINANT IS NOT INTERESTED IN SELLING THESE PRODUCTS. HE WILL FAX US THE DOCUMENTS.

Created By: PHNB Created Date: 10/11/02

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested:

Amt Paid: Payment Method:

Initial Contact: In Person Transaction Date: 10/11/02

Initial Response: In Person

Product/Service: Shop-at-Home\Catalog Sales

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

City: CHARNY State: PQ Zip:

Country: CANADA

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29

(b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2405758 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I am requesting, or rather begging the ftc to do something about quixtar. My son joined about 5 months ago spends app.400.00 a month towards this program and receives app. 50.00 checks back a month. He has recently quit his job after attending a north carolina seminar where even his girlfriend got "saved". Excuse me but what business has a seminar then religiously saves people? And what are the Devos and Van Andels doing being involved with this program, have they not learned their lesson from the Amway scandals. My son and I have always been close, until this past weekend, where he told me not to "come knocking at his door" and that he does not need to hear bad things about this business from a divorcee. He has been brainwashed, and I am sorry, but any business that also has the power to save people at the same time, sounds like a cult to me. They state that Amway saves marriages,that if anyone tries to leave they are just not trying hard enough and will fail on the outside. Please tell me you are seriously investigating this, because when my son comes crashing down from this, I am so afraid he may never recover from this or even worse hurt himself.Thank You, (b)(6)

Created By: JXHEINY Created Date: 10/10/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 10/07/02

Initial Contact: Internet (Other) Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Howell

State: MI Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:

**Company**

Company: Quixtar

Address:

City: Grand Rapids

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2383027 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer a question about this company's reputation. Consumer wants to know if the company reputable. Consumer did not have much information about the company and is going to call back.

Created By: NSERPAS Created Date: 10/03/02

Updated By: EFUENTES Updated Date: 11/15/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Contact: Phone Transaction Date:

Initial Response: Phone: 800/888

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: San Antonio  
Country: UNITED STATES

State: TX Zip: (b)(6)

Work phone: () Ext:

Fax Number: (b)(6)  
Home Number: (b)(6)  
Email: (b)(6)

Age Range:



09/13/2006

LMARASCO

number

**Company**

Company: Quixtar

Address:

City:

State: MI Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2355434 Contact Type:Complaint Source:Consumer TCS? Y

Comments: After repeatedly telling Ms. Behan that I did not have an interest in Quixtar, she signed me up as a member and individual business owner without my consent and authorization. I contacted Quixtar by phone and they would not remove me as a member without abiding by their rules of conduct and submitting a formal complaint-rules I never agreed to in the first place! I feel I am being forced to comply with their rules without a choice because someone in their company infringed on my privacy!

Created By: CPHELPS Created Date: 09/26/02

Updated By: EFUENTES Updated Date: 11/15/02

Org Name: PUBLIC USERS - CIS

Amt Requested: 42.76

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 09/23/02

Initial Contact: In Person Transaction Date: 08/26/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone ( ) Ext:

Fax Number: ( )

Home Number: (b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: (800) 2536500 Ext:

**Company Representative**

Rep Name: Behan, Jane

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2336020 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was approached by a man and his business card(his business card states his name as R. Craig Tanner Managing Partner - ec-worldwide e-commerce development) He called me once at home to schedule a meeting at Barnes and Noble cafe by Bull Run State Park) He originally asked me to call him on his cell phone (703-626-2730) which I can verify that it was him(I recognized his voice), so I couldn't verify his name or employment except that he is representing QUIXTAR as a recruiter of IBO's. He made his pitch yesterday 09/18/2002 at Barnes and Noble. I've done research and found out that it is illegal for him to ask me up front for money. I have not talked to him yet, so if you want to trap him let me know right away. I'll agree to meet him again and when he accepts a check, (I can get his licence plate number also)I can put a stop payment on it and you can take it from there.It look like an ELP pyramid scheme. I have his business card, info packet, and cd's in my possession, it doesn't mention the up front money in the packet as far as I know.

Sincerely,

(b)(6)

Created By: AVONDERSAAR Created Date: 09/20/02  
Updated By: IBOLEN Updated Date: 11/15/02  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 150.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 09/18/02  
Initial Contact: In Person Transaction Date: 09/13/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First:

(b)(6)

State: VA Zip:

(b)(6)

(b)(6)

30 - 39

**Company**

Company: Quixtar.com

Address:

City:

Country: LOCATION NOT REPORTED

Email: craig@ec-worldwide.com (the original business card to contact him)

Phone:

**Company Representative**

Rep Name: Tanner, Craig or R. Craig

State: NR Zip:

URL:www.quixtar.com

Ext:

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2312801 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer states that he stumbled onto the company by accident. The consumer states that the company was telling the other consumers that they could join the "Club" for a fee of \$240.00. The consumer states that the company had only three people at the top of the pyramid. The consumer wanted to make the FTC aware of this scam. The consumer states that the companys main focus was telling the consumers "Do you wanna make money without working."

Created By: ALANE Created Date: 09/13/02

Updated By: ALANE Updated Date: 09/13/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 09/06/02

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Garner

State: NC Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2293600 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Duped relative in company became member, enthusiastically promoting company. Quixtar taught her and is teaching those around her NOT TO DISCLOSE THE COMPANY'S NAME until after people have been led thorough a high-pressure sales presentation. They do this to prevent people from researching online and finding out any bad info on their company. I refused to go to the presentation and had to pressure her through several contacts to find out the name. When asked the name, they are taught to just say their "big-name" affiliates.

Created By: AMAGEE Created Date: 09/05/02

Updated By: HBUCKMON Updated Date: 09/11/02

Org Name: PUBLIC USERS - CIS

Amt Requested: 150.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 09/03/02

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: Not Provided

First: (b)(6)

Address:

City: not reported

State: WV Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City: not reported

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: not reported, unknown

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2284629 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My wife works with the public at a nature center, and a woman befriended her and a few days later called to say that she wanted to stop by so that she could meet me and we could meet her husband. They gave us a quixtar sales pitch and left some sales materials with us, saying that they'd be in touch today. We called today to say we weren't interested. They came "to pick up the sales materials" with their friend/boss/mentor Thomas (last name unknown), who entered our house uninvited and tried to give us a very hard sell, despite the fact we said very clearly that we didn't wish to talk about opportunities with quixtar. I literally asked them to get out of my house three times before they left.

Created By: MGARMAN Created Date: 08/30/02

Updated By: EFUENTES Updated Date: 11/15/02

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 08/28/02

Initial Contact: In Person Transaction Date: 08/29/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First:

(b)(6)

State: MI Zip:

(b)(6)

(b)(6)

30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2254135 Contact Type:Request for Information Source:Consumer TCS? Y

Comments:

The consumer was looking into Quixtar who said the FTC had endorsed. The company is a multilevel marketing operation. The consumer has to buy in as a business owner for \$49 and then has access to the consumer goods. The consumer wanted to know if the company was legitimate. The consumer did not have company information nor did she care to provide her own.

Created By: SFORBES Created Date: 08/20/02

Updated By: SFORBES Updated Date: 08/20/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 49.00

Amt Paid: 49.00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 08/20/02

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: anonymous First: anonymous

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: (NK)

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2239323 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer went to a seminar for this company, which is a web based selling business. The companys presentation sounded false to the consumer as they stated the FTC would guarantee the investors money would be returned up to one year into the investment. The consumer said this is a pyramid scheme in it's set-up.

Created By: RCONDON Created Date: 08/15/02

Updated By: EFUENTES Updated Date: 11/15/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 200.00

Amt Paid: .00 Payment Method: Not Reported

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 08/14/02

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Sioux Falls

State: SD Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

Unknown

City: Unknown

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (xxx) xxxxxxxx Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2215208 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

This is not a complaint. I have been to your website (www.ftc.gov) to find out more information on Quixtar, but could only find requests/complaints by other consumers, not any research results of yours. Have you researched Quixtar? What have been your findings? Is this an illegal scheme doomed to fail for the 'little' IBOs and only providing wealth to its creators? Or is Quixtar a legal, valid business where all have chances to truly make a living with it?

Created By: RMCLAUGHLIN Created Date: 08/05/02  
Updated By: EFUENTES Updated Date: 11/15/02  
Org Name: PUBLIC USERS - CIS  
Amt Requested: .00  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Internet Complaint Date: 08/04/02  
Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Rochester

State: MN Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2202078 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Again I say:  
I know that Amway has been around for many years and has repeatedly dodged the Illegal Pyramid Scheme bullet many times over the years. I have seen the Pyramid Scheme Alert logos connected to anything Amway/Quixtar on the net but I do not believe this is sufficient enough action. People should be able to make their own informed decisions, but whether they are informed or not that it is a scam they are joining, it is still a scam.

To simply shut down companies such as Amway/Quixtar is not effective either. In order to end these corrupt pyramids we must strike the top. People like the Devos and Van Andel families, the Greg Duncan Family, and other so called Diamonds, Emeralds etc all over North America. These people base their income on selling falsely created; miss informing motivational tapes, books, and seminars through high pressure MLM tactics. I believe that these people and all their downlines should be stripped of any status or wealth in any way related to a MLM scheme. As well all IBOs should be investigated and audited for tax fraud.

MLM schemes must be made Illegal. These terrorists tactics are continuously demoralizing and damaging our countries self images through constant lies and deceit to an inevitable failure by thousands of people.

Something has to be done about these people. I will make it my goal in life to bring these people down, and it won't take me long to create an army of people behind me. But even with an army we can't do this with out your help. You people have the power to put words into action.

Bringing an end to a well-established pyramid/cult such as Amway/Quixtar and their leaders, the Devos and Van Andel families, will certainly strike hesitation and doubt into any one who may think about it in the future.

I am extremely devoted to this issue and will intensely pursue it to see that something is done. I expect to get a respectable reply from you.

Thank you for your time.

(b)(6)

Created By: AMAGEE Created Date: 07/31/02  
Updated By: HBUCKMON Updated Date: 08/01/02  
Org Name: PUBLIC USERS - CIS  
Amt Requested: .00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 07/29/02



09/13/2006

LMARASCO

Initial Contact: In Person

Transaction Date: 02/01/01

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First: (b)(6)

Address:

City: Calgary

State: AB Zip:

(b)(6)

Country: CANADA

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar

Address:

City: not reported

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

Rep Name: Duncan, Greg

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2145419 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer requesting info on Quixtar. Referred to AG, BBB, and DMA.

Created By: RMUNROE Created Date: 07/09/02

Updated By: EFUENTES Updated Date: 11/15/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: Mail or Telephone Merchandise Order Rule

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Willingboro

State: NJ Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL: quixtar.com

Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2130931 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

I just wanted to know more about this company. I know the FTC says it is a legit company, but it still sounds too good to be true. The company is in business with alot of other respected corporations. Is there any way that you can tell me if this business is legit and not some kind of scam.

Thanks for your time.

Sincerely,

Dave Miller

Created By: SMBAILEY

Created Date: 07/02/02

Updated By:

Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 130.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 03/27/02

Initial Contact: In Person Transaction Date: 03/06/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First: (b)(6)

State: PA Zip: (b)(6)

Reading  
UNITED STATES  
(b)(6)

20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2129168 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was involved with Quixtar/Amway for about 5.5 years. Left the business in Oct. 2001. I am aware of the 1979 FTC ruling regarding Amway. There are two issues within this legitimate company, I believe you should be aware of that made me uncomfortable. According to the 1979 ruling, one of the reasons why Amway was not considered to be an illegal pyramid was the 10 customer rule (retail sales). Being in the business 5.5 years I never saw enforcement of the retail sales rule. In fact, my upline including Executive Diamond Bill Hawkins say they don't enforce the retail sales rule and have no desire to do so. Bill Hawkins even discouraged it at a meeting when he said to focus on recruiting others instead because that is what gives you your "freedom" and he didn't want you to create just another sales job for yourself thru retail sales. I believe this to be a possible violation of the 1979 decision. Also there seems to be a hidden agenda in the business, regarding the motivational tools. The average distributor is not aware that the majority of income earned, by the big pins are from the sale of these tools and not the product sales. I believe the tools business might be an illegal pyramid hidden in a legitimate MLM. There have been numerous lawsuits regarding this secret tools business, which I'm sure you are aware of. I felt deceived when I found out the truth about the HUGE amounts made on the tools. Can you please inform me of the official position of the FTC regarding Quixtar and if there are any investigations pending. Thank you.

Created By: AMAGEE Created Date: 07/01/02  
Updated By: EFUENTES Updated Date: 11/15/02  
Org Name: PUBLIC USERS - CIS  
Amt Requested:  
Amt Paid: Payment Method:  
Agency Contact: Internet Complaint Date: 06/30/02  
Initial Contact: In Person Transaction Date: 02/08/96

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

(b)(6)  
Address:

First: (b)(6)

Address:

City: Hopkins

State: MN Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 30 - 39

**Company**

Company: Quixtar/Amway

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

Rep Name: Hawkins, Bill

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2118478 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer's daughter bought into a pyramid scheme after getting married 4 years ago. The daughter has been in the scheme 2 years ago (learning of it through the husband's parents). The daughter had \$60,000 going into the marriage and has lost it all. The daughter was looking for a get rich scheme. The business was started by the people that ran Amway. The consumer doesn't know how much has been invested by the daughter so far, but knows that the daughter buys groceries through the company and buys tapes for \$6 apiece which are self help seminars. The daughter gets a check every month for between \$250 and \$450. The husband's parent's claim to earn \$5000 a month. The consumer contacted the Better Business Bureau who wanted further information. When the consumer called back the agent there ranted at the consumer about pyramind schemes being illegal. The consumer has not bought into the company and had no exact figures for earnings and losses for her daughter. The consumer does not have internet access.

Created By: SFORBES Created Date: 06/26/02

Updated By: SFORBES Updated Date: 06/26/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: In Person Transaction Date: 02/20/00

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Monroe

State: NC Zip:

(b)(6)

Country: UNITED STATES

Work phone:

(b)(6)

Ext:

Fax Number:

Home Number:

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (800) 9507732

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2046992 Contact Type:Complaint Source:Consumer TCS? Y

Comments: this isnt a complaint, i been in quixtar for a while and have been TOLD that the comp plan is ftc approved. so far i've only found some guy's quote that the plan is ftc approved, but i havent found the actual document that it is approved, but i have found a LOT of bad stuff about it, even something about quixtar shutting down 1-1-03. can you enlighten me on this, help me out a little bit. we want to know if this is legit, i mean, its been around for 40 some odd years and some 400 partner stores, but from what we're reading, the info doesn't jive with what we know about the company. from what i gather, the quixtar business is almost borderlining on the pyramid thing--Dexter Yager is on top, no one can pass him up--why is that? if its free enterprise, why cant any of his immediate downlines pass him? also, the tools, is it true the money starts to come in once you have a large enough business to start selling the tools? please reply to my email addy to answer my question, thanks

Created By: TMOSS Created Date: 06/11/02

Updated By: EFUENTES Updated Date: 11/15/02

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 06/09/02

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:



09/13/2006

LMARASCO

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: waco  
Country: UNITED STATES  
Work phone: () Ext:  
Fax Number: ()  
Home Number: (b)(6)  
Email:  
Age Range: 20 - 29

State: TX Zip: (b)(6)

**Company**

Company: Quixtar.com

Address:

City:  
Country: LOCATION NOT REPORTED

State: NR Zip:

Email:  
Phone: () Ext:

URL:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2040489 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: The consumer wanted information on a company. The consumer was given the BBB address and and advised to contact the Attorney General for the state where the company is located if the BBB did not have any information on the company.

Created By: JLAYTON Created Date: 06/07/02  
Updated By: EFUENTES Updated Date: 11/15/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Lakeville

State: MN Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()  
Home Number: (b)(6)  
Email:

Age Range: 20 - 29



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (800) 2536500 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 2000319 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

This is really not so much a complaint as it is a request for verification and information. Last evening, my wife and I attended a presentation of Quixtar's "program" at the invitation of a relative. I certainly am not in a position to claim that they are an illegal pyramid scheme . . . but, in my opinion, they come too close for my comfort level and we have chosen not to become involved. My question is this: we were given to believe that the FTC has investigated this company and determined that they are not an illegal pyramid scheme. I would simply ask for confirmation and information as to how I might review whatever report/finding that might be pertinent. I have searched your site rather thoroughly and was unsuccessful in trying to find such information. Thank you for your assistance! (b)(6)

Created By: SAMICK Created Date: 05/21/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 05/15/02

Initial Contact: Phone Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City:

State: OR Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range: 50 - 59

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1928969 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Scott Merritt of Souix falls, SD contacted Me and my then wife about a great opportunity. I showed little or no interest in their scam, so they went to work on my wife. They told her that this was a genuine money making company, with little or no interest in products or services. One of them also told us that we were just plain stupid if we didn't get into this. I confronted one of them about the lies and exhaggerations being told. He in turn lied to my wife even more about this scam. And the end result was a divorce. I believe between the seminars and their lies that they told was the main cause for this. I don't expect you to change this. I am hoping that you can put a stop to this things before someone else suffers from their lies. I have much more info, but I don't think this is enough space.

Created By: HBUCKMON Created Date: 04/23/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 200.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 04/21/02

Initial Contact: Phone Transaction Date: 07/20/02

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Estherville

State: IA Zip:

(b)(6)

Country: UNITED STATES

Work phone:

(b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar independant dist.

Address:

City: spencer

State: IA Zip: 51301

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

Rep Name: Merritt(not 100% sure), Scott Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1878205 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

The information given above was given to my mom. I'm terrified that she's being sucked into a pyramid scheme and I'm doing my best to educate her about them without offending her intelligence. She's initially paid \$51 but they asked for \$135. I don't know how she paid it, but they're also holding an "infomational meeting" at her house and is asking her to recruit people to join. I've gone to the website but didn't get too far into it on a visitor level. Could you please investigate for me and let me know if this is a legitimate operation? Your help is much appreciated.

Created By: CWALLACE Created Date: 03/28/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 135.00

Amt Paid: 51.00 Payment Method:

Agency Contact: Internet Complaint Date: 02/24/02

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: First: (b)(6)

Address: (b)(6)

City: Bremerton State: WA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number:

Home Number:

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1965337 Contact Type:Complaint Source:Consumer TCS? Y

Comments: WAS CONTACTED BY PERSON SHE KNEW ABOUT MAKING MONEY, SOUNDED LIKE PYRAMID AS SHE IS EX- POLICE WITH DURHAM REGIONAL, IS WILLING TO HELP IF NEEDED. HAS NOT BEEN PRESSURED ABOUT GETTING INVOLVED. REQUESTED TO SPEAK TO OFFICER ON STAFF ABOUT THIS, FORWARDED TO GUS.

Created By: PHNB Created Date: 03/27/02

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 160.00

Amt Paid: 160.00 Payment Method: Not Reported

Initial Contact: In Person Transaction Date: 03/27/02

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

TORONTO

State: ON Zip:

(b)(6)

Country:

CANADA

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

40 - 49



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip: -

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1865621 Contact Type:Complaint Source:Consumer TCS? Y

Comments: a friend recently told me about this internet business that she has recently joined and has asked if i would like to join. before i spend my money i want to be sure it is not a scam or an illegal pyramid scheme. initially a cost to start is 158.00 you are req to purchase from the service once a month and in order to make money from it you have to get other people to join under you (commisions are made from people you get to join. i would greatly appreciate any info on this company.

Created By: SMBAILEY Created Date: 03/20/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 158.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 02/09/02

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: flint

State: MI Zip:

(b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1844966 Contact Type: Request for Information Source: Consumer TCS? Y

Comments:

What do you know about this organization's trade practices? They ask you to join and be a IBO (independant business owner) and recruit others to order goods on their website. Traditional forms of advertising are discouraged. They prefer "personal marketing" of friends and family. Sounds like a pyramid scheme to me.

Created By: CSTONE Created Date: 03/07/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 120.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 01/30/02

Initial Contact: In Person Transaction Date: 01/20/02

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Baltimore

State: MD Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

30 - 39



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1833274 Contact Type:Complaint Source:Consumer TCS? Y

Comments: The consumer was calling in about a company that illegally obtained her husbands and her information without their knowledge. The consumer also stated that the company started a business with the information. She said that she called the State Attorney General and they told her that she should contact the FTC and file a complaint and that she was part of a pyramid scheme. The consumer said that she tried to call the company to get them to release information about them to her and they refused. The consumer was told that the situation was a ID Theft and that she should not file a complaint but she should file this under identity theft. The consumer refused because she stated that she didn't want her husband to lose his job. The consumer was told that all the information was kept confidential and that the only people who could see the information was the federal agencies. The consumer stated that she will handle the identity theft situation on her own by contacting the police.

Created By: ESIMMONS Created Date: 02/28/02

Updated By: IBOLEN Updated Date: 03/14/02

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 02/28/02

Initial Contact: Phone Transaction Date: 02/28/02

Initial Response:Phone: 800/888

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

number

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Ephrata

State: WA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address: 5101 Spalding Plaza

City: Ada

State: MI Zip: 49355

Country: UNITED STATES

Email:

URL:

Phone: (616) 787-7000 Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1826141 Contact Type:Complaint Source:Consumer TCS? N

Comments: I did not renew my quixtar membership for the year 2002 which in and by itself drops me from the Quixtar IBO membership. Quixtar still sent me my ditto delivery order, even though I am legally NOT an IBO. I believe they should credit my account (send me a total refund) plus I do not beleive I should have to send the merchandise back to them as the law clearly states that any unsolicited merchandise can be kept if sent by merchant. Please e-mail me my rights under the consumer protection laws as soon as possible. Thank You. (b)(6) I have not yet discovered just which credit card / debit card Quixtar billed me for the items shipped.

Created By: ABANKS Created Date: 02/25/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/22/02

Initial Contact: Internet Web Site Transaction Date: 01/18/02

Initial Response:

Product/Service: Other (Note in Comments)

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Zephyrhills

State: FL Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:  
Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: 5532 Jennie Street

City: Zephyrhills

State: FL Zip: 33540

Country: UNITED STATES

Email: mmrooney59@msn.com

URL:

Phone: (813) 7806175 Ext:

**Company Representative**

Rep Name

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1676852 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Quixtar is reporting false inaccurate data in their SA4400. Here is why.

I downloaded a new copy of the SA400 on the Quixtar web site. It reported the average IBO grossed \$115/month and 66% were considered active in a survey from April 2001 base upon calender year 2000.

Taking the Quixtar press releases from end-of-year-2000 of 400,000 IBOs (it was first reported as 500,000 IBOs) and \$143 million in bonus payouts the numbers don't add up to me.

According to the SA4400 Quixtar paid out:  
 $400,000 * 66% * \$115 * 12 = \$364$  million  
Which far exceeds the total reported in press releases.

Even if all sales were made at MSRP that might add at most  $25% * 448$  million = \$112 million in retail markup for a total of \$253 million in payouts and retail markup.

With 400,000 IBOs the active ratio must be 26% to get \$115 when no retail markup is included and 45% with retail markup on ALL sales, and not 66% as claimed in the SA4400.

Quixtar cannot correlate the data in its public press releases to the data in their prospecting material in the SA4400. The SA4400 data came from a survey when the data for the press releases came from actual corporate payouts. The actual corporte payouts will be much more accurate than their survey.

I have the Quixtar PDF files of both the press releases and the SA4400 should you need them.

For Quixtar and no retail markup, the active number of IBOs must only be 103,623 and total IBOs were 157,004 for the data to be correct.

Created By: HBUCKMON Created Date: 11/29/01  
Updated By: IBOLEN Updated Date: 02/12/02  
Org Name: PUBLIC USERS - CIS  
Amt Requested:  
Amt Paid: Payment Method:  
Agency Contact: Internet Complaint Date: 11/28/01  
Initial Contact: Unknown Transaction Date:



09/13/2006

LMARASCO

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: Rule / Other

Law Violation: Other (Note the Violation in the Comment Field)

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Mt Pleasant

State: SC Zip:

Country: UNITED STATES

(b)(6)

Work phone: ()

Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar Corp (Amway)

Address:

City: Ada

State: MI Zip:

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1674068 Contact Type:Complaint Source:Consumer TCS? Y

Comments: He would like to know about pyramid sales scheme. He said that he received a letter with propasal from the company. He said in the letter, they said that they are approved by FTC to let them do this business.

Created By: MBATEMAN Created Date: 11/27/01

Updated By: ARICHARDSON Updated Date: 11/28/01

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 106.00

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 11/27/01

Initial Contact: Unknown Transaction Date:

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Bloomington  
Country: UNITED STATES

State: IL Zip: (b)(6)

Work phone: (b)(6) Ext:  
Fax Number:  
Home Number:

Email:  
Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar Mall

Address: UNk

City:

State: NK Zip:

Country: UNKNOWN LOCATION

Email:

URL:gboalliance.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1592364 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I received an order, Invoice # 1284607922 which I did not order. I spoke with customer service rep. "JO" at 800-950-7732 on 9-29-01. In July, 2000 I had Ditto Delivery. I cancelled further shipments. I didn't get anymore until last month, August 2001, which was a very small order. This month's order was \$115.82 plus shipping. The Orders were initiated by someone else. This appears on Packing List: Ordering IMC-1319456, Platinum IBO, 1755584. I asked Quixtar to remove all reference to me, from their computers. Thank you for checking into this.

ps:

JO said that Quixtar gets several calls a month, from people saying that they didn't order products.

Created By: JBLAND Created Date: 10/01/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 125.00

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 09/29/01

Initial Contact: In Person Transaction Date: 09/17/01

Initial Response:

Product/Service: Shop-at-Home\Catalog Sales

Statute/Rule: Unordered Merchandise

Law Violation: Received Unordered Merchandise

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Las Vegas

State: NV Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 50 - 59



09/13/2006

LMARASCO

**Company**

Company: Quixtar, Inc.

Address: unknown

City: ADA,

State: MI Zip: unknown

Country: UNITED STATES

Email: unknown

URL:www.quixtar.com

Phone: (800) 950-7732 Ext:

**Company Representative**

Rep Name:

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1542584 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer states that he went to an event, turned out to be a multilevel marketing scam on inaternet virtual scam.

Created By: JMOORE Created Date: 08/30/01

Updated By: JMOORE Updated Date: 08/30/01

Org Name: Planning and Information- BCP

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Email Complaint Date:

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: unknown

City: Greensboro

State: NC Zip:

Country: UNITED STATES

Email:

URL:

Phone: (xxx) xxxxxxxx

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1494019 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This is more of an inquiry about Quixtar that promises an early retirement to those people who joint and invested their time and money to be trained in recruiting more people and shopping in the Company's website to earn points and gets some money out of it. The Company said, in a few years with just nine recruits active members that will join in and shop in the Company's web site, the members who reached the Diamond level will recieved million of dollars the rest of her/his life without working.Is this true? How legal is this Company? My brother-in-law is trying to recruit me to join in with only \$20 membership fee per year. The problem is my sister(his wife)complained about this business. She said he had been using their money to attained seminars everywhere and recruit members for 9 years now but never recieved any money back. She said this Company seems to "hypnotized" him to continue joining them because of their promises that in too short time he will get his million dollars and retired. Any comments to this? I appreciate to know from you if a lot of people are complaining about this Company's strategy in recruiting people and misleading them for this business ventures. Thank you for any response.

Created By: CWALLACE Created Date: 07/24/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 07/21/01

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: ROCKVILLE

State: MD Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number:

Home Number:

Email:

Age Range: 40 - 49

**Company**

Company: Quixtar

Address: 7575 FULTON STREET

City: EAST ADA

State: MI Zip: 49355

Country: UNITED STATES

Email: URL:

Phone: () Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1469356 Contact Type:Complaint Source: Consumer TCS? Y

Comments: At a Quixtar presentation that my wife and I attended recently the sponsor emphasized the point that IBM and Microsoft were partners in the Quixtar business.

They also stated that the Quixtar plan was approved by the FTC.

since the FTC has earned a lot of respect in the marketplace, this fact lends an air of legitimacy to the Quixtar business plan.

I would like to know if the FTC has approved Quixtar's business plan. And if there is any document verifying the approval.

Please advise.

Regards,

(b)(6)

Created By: FTUCKER Created Date: 07/05/01  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 99.00  
Amt Paid: .00 Payment Method:  
Agency Contact: Internet Complaint Date: 07/02/01  
Initial Contact: In Person Transaction Date:  
Initial Response:  
Product/Service: Multi-Level Mktg\Pyramids\Chain Letters  
Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City:

Woodstock

State: GA Zip:

(b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:

50 - 59

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1419514 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This person approached my son, not me, in a video store with a business opportunity, Quixtar.com, and invited him to a meeting held weekly at Holiday Inn Koger Center in Richmond, VA. My son joined for approx. \$95.00. These representatives hang out at places like Circuit City, Blockbuster, Bookstores to solicit people (18-30's) to invest in this business. I think that is wrong. My son has bought numerous products and made numerous phone calls to solicit others to join this business and has yet to see a paycheck. I am concerned for my son and what he has gotten into. This company is the dot.com version of AMWAY with a "virtual mall" to shop from. They also use religion to try to entice people into this business, using biblical references, etc. I think it borders on being a cult. I need your help and some information about his organization. Thank you.

Created By: SMBAILEY Created Date: 05/31/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 95.00

Amt Paid: .00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 05/31/01

Initial Contact: In Person Transaction Date: 02/01/01

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Midlothian

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range: 40 - 49

**Company**

Company: Quixtar.com (sister company of Amway)

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:quixtar.com

Phone: () Ext:

**Company Representative**

Rep Name: Smith, Derek Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1418673 Contact Type:Complaint Source:Consumer TCS? Y

Comments: He's a dentist. I need a lot of expensive work done. He tried to sell me a distributorship for this quixtar company to make a lot of money to pay for my dental work. I'm concerned since he tries to take advantage of his patients. I told him no four times before he dropped the subject. (He's no longer my dentist due to this.) He practices in Kerrville. This is definitely about selling distributorships and not about the products.

Created By: HBUCKMON Created Date: 05/30/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 150.00

Amt Paid: .00 Payment Method:

Agency Contact: Internet Complaint Date: 05/26/01

Initial Contact: In Person Transaction Date: 04/20/01

Initial Response:

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: Kerrville

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range: 30 - 39



09/13/2006

LMARASCO

**Company**

Company: quixtar--its online

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: quixtar.com

URL:

Phone: () Ext:

**Company Representative**

Rep Name: Thorne, DDS, Dr. Gary

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1411435 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer says that he belonged to this company that sold products over the internet. He says that he stopped being a owner but that the company sent him a shipment of paper plates. He says that he sent them back and has not been reimbursed for them.

Created By: PSTREETS Created Date: 05/24/01

Updated By: PSTREETS Updated Date: 05/24/01

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: 23.80 Payment Method: Bank Account Debit

Agency Contact: Mail Complaint Date: 04/30/01

Initial Contact: Unknown Transaction Date: 01/01/01

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: TSR: Other Deception or Abuse (note in comments)

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Glen Park

State: NY Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: P.O.Box 430

City: Grand Rapids

State: MI Zip: 49501-0430

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1308610 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My son is a college freshman who has been sucked into this multilevel marketing business by equally naive friends under the direction of a slick young man from France. These are good kids who have been dazzled by a peer representative who has them believing that what they're embarking is a grade above a pyramid scheme, but it's not. They rev them up at business meetings and parties to go out and recruit their classmates and friends to join them, each paying an enrollment fee. In addition to absorbing his time and money, he is being encouraged to drop out of school to do this full time. Help, I almost feel like he's involve d in a cult. He seems to believe he can make money by buying things and referring friends to join him. I don't want him to be taken advantage of, but I also don't want to see him evolve to taking advantage of someone else. There is no way this company's business is legal. Please check them out.

Created By: JMOORE Created Date: 03/07/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 03/06/01

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Chicago

State: IL Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

**Company**

Company: Quixtar Inc , (a.k.a. Amway)

Address: 4722 Danvers SE

City: Kentwood

State: MI Zip: 49512

Country: UNITED STATES

Email:

URL:<http://www.quixtar.com/>

Phone:

(616) 7876000

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1306702 Contact Type:Complaint Source:Consumer TCS? Y

Comments: FRIENDS OF COMPLAINANT HAVE SIGNED UP WITH SUS CO AND WANT HER TO SIGN UP. THE IDEA IS THE MORE PEOPLE WHO YOU GET TO SIGN UP THE MORE YOU MAKE.

Created By: PHNB Created Date: 02/09/01

Updated By: Updated Date:

Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)

Amt Requested: 172.00

Amt Paid: 172.00 Payment Method: Unknown

Initial Contact: In Person Transaction Date: 02/09/01

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First: (b)(6)

Address:

City: MIDDLETOWN

State: NS Zip: (b)(6)

Country: CANADA

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29

**Company**

Company: Quixtar

Address:

City: State: NR Zip: -

Country: LOCATION NOT REPORTED

Email: URL:

Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1280673 Contact Type:Complaint Source:Consumer TCS? Y  
 Comments: SOMEONE CAME DOOR TO DOOR BASICALLY SAYING THE MORE PEOPLE YOU GET TO SIGN UP THE MORE YOU MAKE.  
 Created By: PHNB Created Date: 12/15/00  
 Updated By: Updated Date:  
 Org Name: Ontario Provincial Police, Anti Rackets (Phonebusters)  
 Amt Requested: 149.00  
 Amt Paid: 149.00 Payment Method: Unknown  
 Initial Contact: In Person Transaction Date: 12/15/00

Initial Response: In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)  
 Last name: [Redacted]  
 Address: [Redacted]

First: (b)(6)  
 [Redacted]

City: FORT NELSON State: BC Zip: -  
 Country: CANADA  
 Work phone () Ext:  
 Fax Number: ()  
 Home Number: ()  
 Email:  
 Age Range:

**Company**

Company: Quixtar  
 Address: P.O. Box 5103

City: LONDON State: ON Zip: N6A4L6-  
 Country: CANADA  
 Email: URL:  
 Phone: () Ext:



09/13/2006

LMARASCO

Company Representative

Associated Company



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1187637 Contact Type:Complaint Source:Consumer TCS? Y

Comments: It seems to me that this company is just the reverse of a pyramid but in some ways it is a pyramid and i'm now in the process of canceling my contract with them. My wife and i paid them with a money order and a personal check. If this is supposed to be a business of your own then why do you have to go and recruit others just to move up the ladder

Created By: HBUCKMON Created Date: 12/12/00  
Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS  
Amt Requested: 130.00  
Amt Paid: 130.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 12/08/00

Initial Contact: Internet (Other) Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)  
City: madison  
Country: UNITED STATES  
Work phone: (b)(6) xt:  
Fax Number:  
Home Number:  
Email:  
Age Range:

First: (b)(6)

State: WI Zip: (b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City: Grand Rapids

State: MI Zip:

Country: UNITED STATES

Email:

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: fiore, mark

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1172281 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Within the Quixtar organization exist lines of sponsorship. These lines of sponsorship publish recruiting materials. Within these materials they are making outrageous income claims that cannot stand even simple scrutiny. I maintain a web site, which rebuttals the income claims.[http://www.awod.com/gallery/rwav/slarsen/amway\\_statist ics.html](http://www.awod.com/gallery/rwav/slarsen/amway_statist ics.html)I believe the material is intentionally deceptive, despite publishing the required but terribly old income figure of \$88/month from 1995 as required for the 1986 case. On one hand they state average incomes but these averages do not stand up to simple, and practical business analysis. From site visitor feedback I am sure than many people assume they can make \$65K on average as claimed in their literature as a Q12 distributor. I would like to help put a stop to these false and misleading claims. (b)(6)

Created By: JMOORE Created Date: 11/28/00

Updated By: IBOLEN Updated Date: 12/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 11/25/00

Initial Contact: Internet Web Site Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.: (b)(6)

Last name:

Address:

City: Charlestons

Country: UNITED STATES

Work phone

Fax Number:

Home Number:

Email:

Age Range:

**Company**

Company: Quixtar

Address:

City: Grand Rapids

Country: UNITED STATES

Email:

Phone: ()

Ext:

**Company Representative**

**Associated Company**

First: (b)(6)

State: SC Zip: (b)(6)

State: MI Zip:

URL:www.quixtar.com



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1146987 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer had experience as Amway/Quixtar distributor. Consumer decided to leave the company due to the following reasons. It became clear to consumer that the real money in the business is not from the Quixtar business model as was promoted to the consumer. Instead the greater revenue came from the upper level pins is generatec by the selling ob business support materials ( tapes, books, functions, videos, etc.) referred to as "tools" in the community of distributors. These business support materials are aggressively promoted to consumer by the upline. The upline diamond has stated that if someone in't willing to be on the sytem, then he refuses to register him in the business. Consumer is concerned this nature of selling of tools constyitutes a pyramid as there is absolutely no retail market for them , whatsoever and exorbitant amounts of money are being made by the people on the top from the people on the bottom. Consumer did not state how much he invested in the company.

Created By: ABANKS Created Date: 11/03/00

Updated By: ABANKS Updated Date: 11/03/00

Org Name: Planning and Information- BCP

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Mail Complaint Date: 10/30/00

Initial Contact: Unknown Transaction Date:

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BC)



09/13/2006

LMARASCO

Law Violation: TSR: Other Deception or Abuse (note in comments)

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Chattanooga

State: TN Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

(b)(6)

Home Number:

Email:

Age Range:

**Company**

Company: Quixtar

Address: unknown

City: Greensboro

State: NC Zip:

Country: UNITED STATES

Email:

URL:

Phone:

()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1095808 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Quixtar.com sell business franchises, have the consumers to approach individuals in person. They're like a high service mercandise sell out of your home, can't put an advertisement in the paper, solicit through word of mouth, public places, in your own home. When the consumer isn't making any money and decide to leave, Quixstar.com threatens the individual if they decide to leave. Consumer paid \$50 for Franchise Fee, consumer was approach at a hotel where she worked. Consumer, signed a contract. Consumer, disconnected the phone call, had switched phones.

Created By: PPCALDWELL Created Date: 09/20/00

Updated By: JPBROWN Updated Date: 09/20/00

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 09/20/00

Initial Contact: In Person Transaction Date:

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Chicago State: IL Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1095110 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer states that she was involved in a company that was profiting from recruiting people as opposed to selling their merchandise. The consumer states that she invested about \$100 but only profited about \$4.00 total.

Created By: JGAFAR Created Date: 09/19/00

Updated By: YFLEMING Updated Date: 09/25/00

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 09/16/00

Initial Contact: In Person Transaction Date:

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Alexandria

State: VA Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: PObox 430

City: Grand Rapids

State: MI Zip: 49501

Country: UNITED STATES

Email:

URL:

Phone: (800) 2221462

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1074111 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer was contacted by Quixtar, his name was sold off of a patients list, to become a member. He went to a seminar, and Quixtar told him he would receive a 30% savings on products, and he could write it off on his taxes as a business. He researched it and found there was no discount, and the IRS does not consider it a legitimate business. He had to pay \$35.00 for a membership, and \$75.00 for the product. He received the product, and it was Amway; but Quixtar did not recognize any affiliation with Amway. When he attempted to return the product Quixtar refused to refund his money.

Created By: DSSMITH Created Date: 08/31/00

Updated By: IBOLEN Updated Date: 09/27/00

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 107.90

Amt Paid: 107.90 Payment Method: Check (Personal)

Agency Contact: Phone Complaint Date: 08/31/00

Initial Contact: Phone Transaction Date: 08/01/00

Initial Response:Phone: other

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

(b)(6)  
First:

City: Mc Minnville

State: OR Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: (b)(6)

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: P.O.Box 430

City: Grand Rapids

State: MI Zip: 49501-0430

Country: UNITED STATES

Email:

URL:

Phone: (xxx) xxxxxxxx

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1016170 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was going to join this company as an affiliate but I was warned by friends and family members that this was a bad deal. I wanted to check it out with the proper authorities.

I want to make sure I'm not going to get burned by this multi-marketing idea. I've signed a temporary contract with them through Jim Avery by giving him my SS#, house phone #, address and area code. I was going to give him \$35.00 for a sign up fee. He has already registered me with his credit card and I feel obligated to pay him back for it. I'm a college student, and if this is going to take up too much of my time I'd like advice on how to get out.

Created By: JMOORE Created Date: 07/18/00  
Updated By: IBOLEN Updated Date: 08/28/00  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 35.00  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Internet Complaint Date: 07/17/00  
Initial Contact: Print Transaction Date: 01/05/00

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Ilion

State: NY Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

(b)(6)

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address: Unknown

City: Unknown

State: NK Zip: 99999

Country: UNKNOWN LOCATION

Email: Unknown

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Avery, Jim

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1719995 Contact Type:Complaint Source:Consumer TCS? Y

Comments: CONTACT SENTINEL@FTC.GOV FOR MORE COMMENT INFORMATION, ALSO, TO PREVENT INTERFERENCE WITH PENDING ACTIONS, PRIOR TO ANY INVESTIGATIVE ACTION CONTACT THE IFCC AT (304)363-4312 AND SPEAK TO SSA CINDY ALLARD, SSA STEVE ANDERSON OR SSA MARK SYKES.

Created By: IFCC Created Date: 07/18/00

Updated By: Updated Date:

Org Name: Internet Fraud Complaint Center

Amt Requested:

Amt Paid: Payment Method:

Initial Contact: Internet/E-mail Transaction Date: 04/01/99

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

Address:

City:

Country:

Work phone

Fax Number:

Home Number:

Email:

Age Range:

(b)(6)

First: (b)(6)

State: SD Zip: (b)(6)

PIERRE

UNITED STATES

( )

Ext:

( )

(b)(6)

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09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip: -

Country: LOCATION NOT REPORTED

Email: rainboth10evntr@yahoo.com

URL:

Phone: () Ext:

**Company Representative**

Rep Name: Rainboth,

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 1003356 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was approached twice within this year. The first time, exactly one year ago and again had another meeting tonight with people that I barely know in business. One is a former employee and another a current employee of the Ohio Bureau of Workers' Compensation. I was mislead both times, to a meeting I thought was business in regards to workers' compensation, then was high pressured into this. Fortunately, I was aware of these schemes. I know some people are not. I think this is prevalent in the Ohio Bureau of Workers' Compensation and former employees.

Created By: JBLAND Created Date: 07/07/00

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 250.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 07/06/00

Initial Contact: Phone Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Cincinnati

State: OH Zip: (b)(6)

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email: (b)(6)

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City: Cincinnati

State: OH Zip: 45241

Country: UNITED STATES

Email:

URL:Quixtar

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 989976 Contact Type:Complaint Source:Consumer TCS? Y

Comments: After initially being told in a store about business opportunities on the web through his online business I could create a web site with an online store front. This ended up being a scam in order to lock us into an agreement with Quixtar and BWW. It basically works out to be an online pyramid.

Created By: HBUCKMON Created Date: 06/23/00

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 240.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 06/21/00

Initial Contact: In Person Transaction Date: 06/05/00

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name:  
Address:

First: (b)(6)

City: old bridge

State: NJ Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: quixtar, excalibur online, bww online

Address: ? 80 myrtle ave. ?

City: metuchen

State: NJ Zip: 08840

Country: UNITED STATES

Email: joelai@bwwonline.com

URL:????

Phone: (732) 2051840 Ext:

**Company Representative**

Rep Name: Lai, Joe

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 956190 Contact Type:Complaint Source:Consumer TCS? Y

Comments: They are advertising camcorders for auction on ebay, but say that we must pay a FLAT amount for sales tax, and that everyone must pay the tax no matter where we live, even though the company they work for is located just in Michigan.I have two emails from them regarding this policy.Thank you for looking into what may be illegitimate tax charges that they probably are not even forwarding to the government.

Created By: JMOORE Created Date: 05/17/00

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 05/15/00

Initial Contact: Internet (Other) Transaction Date: 05/15/00

Initial Response:

Product/Service: Internet Auction

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Fair Oaks

State: CA Zip:

(b)(6)

Country: UNITED STATES

Work phone:

(b)(6) xt:

Fax Number:

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: via email at: mdketter@bellatlanti  
(Denise & Michael Ketterer)

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: mdketter@bellatlantic.net URL:  
(Denise & Michael Ketterer)

Phone: () Ext:

**Company Representative**

Rep Name: Ketterer, Denise & Michael Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 952976 Contact Type:Complaint Source:Consumer TCS? Y

Comments: In Oct. 99 consumer was invited to a meeting, he didn't know what it was about but once he got there he brought into it. It was started by 2nd Generation of the Amway founders. She spent about \$1000 for function, trip, hotel and a host of tapes. He sponsored 2 sons and a couple friends. He was led to believe that it would only take a few hours a week and the money would flow in. He didn't really believe it was that easy, yet thought it possible to become prosperous. He didn't know he had to take 75 IBO's under in order for him to achieve limited success. He emailed Pickering for a refund of the products he purchased and received a response from Sowers who said he was not in the business of refunds but he could return the merchandise and if he sold it he would be issued a refund. He called Sowers and spoke about the refund and Sowers became mad, consumer told him he would continue to attend their meetings until he was not an IBO and Sowers told him he didn't want him there because he was not working the business and said he would do what ever is necessary if he did anything to hurt his family or business. He asked Sowers if he was threatening him and he just said "what ever is necessary.

Created By: ARICHARDSON Created Date: 05/12/00

Updated By: ARICHARDSON Updated Date: 05/12/00

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 1,000.00

Amt Paid: 1,000.00 Payment Method:

Agency Contact: Mail Complaint Date: 03/27/00

Initial Contact: Unknown Transaction Date: 10/01/99

Initial Response:In Person

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: TSR: Other Deception or Abuse (note in comments)

**Consumer**

Complaining  
Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: Hadley

State: PA Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:

**Company**

Company: Quixtar

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: () Ext:

**Company Representative**

Rep Name: Storms, Don Title:

Rep Name: Mike, Pickering Title:

Rep Name: Sowers, Eric Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 935884 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I have not lost any money, but this company is promising my fellow classmates that if they pay \$100 they can get in on electronic commerce and earn millions of dollars.

Created By: FTUCKER Created Date: 04/26/00

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 100.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 04/25/00

Initial Contact: In Person Transaction Date: 04/18/00

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: Unknown First:

Address:

City: Livingston State: AL Zip:

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: compassion19@collegeclub.com

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

Rep Name: DeRamus, Chandra

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 914561 Contact Type: Complaint Source: Consumer TCS? Y

Comments: Eric Logan and Scott Brewton approached my fiancée and I at Burger King where I was formerly a manager. They had a business opportunity that sounded good at first. We gave them our phone number and they contacted us a week later and came to our house to explain this idea. They had us sign up online at their website with our Visa debit card. The contract we were to read and sign was only available at the end of the sign up process online. So after signing up online it automatically printed out the contract and they told us just to sign it and that they would fill out the rest. They didn't even let us read the contract. I called them about a ref und after changing my mind and they have yet to return my call. They said it would take 2 to 3 weeks to process a refund, which I feel is wrong. I tried to put a stop payment on it, but my said there is no way to put a stop payment on a debit card payment. Upon researching the better business bureau I found out that this company is Multi level marketing. they never told us that, they told us it was getting paid to shop online. But then they started pushing us to sign people up. I would like this problem looked into and would like you to contact me with the results. Thank you,

Steven Rogusta

Created By: JBLAND Created Date: 04/04/00  
Updated By: IBOLEN Updated Date: 05/01/00  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 100.00  
Amt Paid: 110.90 Payment Method: Check (Personal)  
Agency Contact: Internet Complaint Date: 03/31/00  
Initial Contact: In Person Transaction Date: 03/26/00

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

City: South Bend

State: IN Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: (b)(6)  
Home Number:

Email:

Age Range:

**Company**

Company: Quixtar Inc.

Address: 7575 East Fulton

City: Ada

State: MI Zip: 49301

Country: UNITED STATES

Email:

URL:www.quixtar.com

Phone: (616) 7876000 Ext:

**Company Representative**

Rep Name: Logan, Eric

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 875001 Contact Type:Complaint Source:Consumer TCS? Y

Comments: basically i just wanted to know how or if you've received any serious or numerous complaints about quixtar aka amway online distribution,.. they seem okay to me but are you aware of any pending suits or legislation which may curtail their operations in the near future

Created By: SMBAILEY Created Date: 02/25/00

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/25/00

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6) Address: (b)(6)

First: (b)(6)

City: Seattle

State: WA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email: (b)(6)

Age Range: (b)(6)



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 861649 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This inquiry is for my son Alex who is interested in independent business as means to change work or career.He was contacted by a person and given a folder with matetial that to me shows the typical Pyramid Scheme of levels and recruiting others. At the end of the booklet there was a blank form where he was supposed to write the names and telephones of prospective recruits.A check of the internet shows that Quixtar is like any other web mall where you can order merchandise. When I tried to check on the merchandise listed ,a Panasonic TV, nothing happened. Quixtar is supposed to be part of Amway.I have printed a document on the issue of Pyramid Schemes and of Amway practises from the FTC that I plan to give to him so that he can see what he would be getting into if he continues with this idea.Please sent whatever current info that you have on Quixtar or Amway.Sincerely (b)(6)

Created By: SMBAILEY Created Date: 02/14/00

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/12/00

Initial Contact: In Person Transaction Date: 02/06/00

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.:

(b)(6)

Last name:

First:

(b)(6)

Address:

City:

Annapolis

State: MD Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

**Company**

Company: QUIXTAR.COM OR AMWAY

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone:

()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 859191 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I have concern over a network marketing company called Quixtar, Inc. The way the company is set up, a pyramid scheme, it reminds me of International Heritage Incorporated (IHI), which I invested in and lost \$400.00(US). In the presentation that is given, it is said that one buys consumable products and earn points and for X number of point you get money back. To quote from a pamphlet Imagine owning your own mall-except there are no buildings, overhead, inventory, employees, security problems, etc.-yet every time a purchase is mad, you still make the money because the purchase was made through YOUR web-based business. Having been burned once, I am twice shy about such schemes and do not want anyone to loose money thro ugh such devices.sincerely yours,(b)(6)

Created By: JMOORE Created Date: 02/10/00

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 02/08/00

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: college station

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 858260 Contact Type:Complaint Source:Consumer TCS? Y

Comments: My name is Erwin Scholz I joined a business called Quixtar they promised me so much money, but never ever explained how the process work I appreciate if you can help me in this situation I paid with a check for \$100 dollars and I resigned last year I sent a letter to the corporation replying that i resign as a IBO Independent Business Owner the money was sent to the individual name Merwynn Montenegro by credit card I called the corporation to verify if it was true and beleive it or not the people who got me involve has my money the phone number to this individual who also got me involved his name is Ricardo Yustman he lives i n California in the city of San Marino his phone number is 1-909-398-4665 i have contacted both persons and nobody is returning the \$100 dollars back what do you recommend me to do please contact me my phone number is (b)(6)  
Thank you very much!

Created By: JMOORE Created Date: 02/09/00

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 100.00

Amt Paid: 100.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 02/07/00

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Huntington Park

State: CA Zip:

(b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range:

**Company**

Company: Quixtar-Amway

Address: not sure

City: Michigan

State: MI Zip: not sure

Country: UNITED STATES

Email: not sure

URL:www.quixtar.com

Phone: () Ext:

**Company Representative**

Rep Name: Yustman, Ricardo

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 819073 Contact Type:Complaint Source:Consumer TCS? Y

Comments: for registration fee consumer could sign on as an Independent business owner for company and receive 3% of proceeds from every person he signed up as IBOs. plus Amway cleaning products.

Created By: BREDDIX Created Date: 12/21/99

Updated By: BREDDIX Updated Date: 12/21/99

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 99.00

Amt Paid: .00 Payment Method:

Agency Contact: Mail Complaint Date: 11/02/99

Initial Contact: Print Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Brunswick

State: MD Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (301) 8987071 Ext:

**Company Representative**

Rep Name: Blanchard, Henry

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 806618 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I was asked by Mr. Brashear to attend a conference at the Omni Hotel in San Antonio on 12/01/99 on Quixtar.com. Quixtar claims to supply various products to consumers and pay those that invest in Quixtar.com a percentage of what they buy. Also if the people at the conference were to tell 6 to 8 people about Quixtar, that would increase their chances of making money. The man who gave the presentation, Tom Skragg, even drew out a partial pyramid. Close attention should be payed to this company as they are intending to have another conference in Mobile,Alabama December 12-14 and have the potential for ease of movement through the country and lack of identification since residing primarily electronically.

Created By: JMOORE Created Date: 12/02/99

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 100.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 12/01/99

Initial Contact: In Person Transaction Date: 11/24/99

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City: San Antonio

State: TX Zip:

Country: UNITED STATES

Email: emarketpl@aol.com

URL:www.quixtar.com

Phone: (210) 3028219 Ext:

**Company Representative**

Rep Name: Brashear, Herb

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 771567 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I'm not complaining about Mr. Orr, but about the company that has duped him. Mr. Orr truly is the innocent victim in this whole thing. Mr. Orr, a family friend, contacted me about checking into this company. He offered to pay the \$99.95 for me. AGAIN: MY COMPLAINT IS NOT AGAINST HIM, BUT QUIXTAR!!! I read your info on pyramiding, and Quixtar fits the bill, since they told Mr. Orr that he could buy himself up to the distributorship level. This is apparently a level that otherwise one would have to sell product to work up to. It smacks of pyramiding, and I hate to see my friend get caught up in this. I went online to check them out, and to my surprise found a site warning potential customers/victims about Quixtar! I read that information in sheer amazement. That site's owner has identified the principal parties as the same ones at the top of the Amway family. That person has been burned by them in the past, according to the website. This is all the info I have to share with you, and I share it in concern for others who may be duped into yet another scam. I am going to let Mr. Orr know what I have learned about this company, and felt it my civic duty to advise you of these people.

Created By: HBUCKMON Created Date: 10/22/99  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 99.95  
Amt Paid: .00 Payment Method: Unknown  
Agency Contact: Internet Complaint Date: 10/14/99  
Initial Contact: In Person Transaction Date: 09/01/99

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Greensboro

State: NC Zip:

(b)(6)

Country:

UNITED STATES

Work phone

()

Ext:

Fax Number:

()

Home Number:

(b)(6)

Email:

Age Range:

**Company**

Company: Quixtar

Address: unknown

City: Greensboro

State: NC Zip:

Country: UNITED STATES

Email: Quixtar.com

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Orr, Phil

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 769760 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Company offers business opportunity to earn 30% in commission on web site sales from referrals. Company claims to pay residual income from downline sales. Company started on Internet 9/1/99. Company is a derivative of Amway. Company to date has not posted earnings on pv/bv page, and now claims will be 60 days before commissions are posted. Line of sponsorship page has never been open, so you have no idea why has signed up under your name. Company claims personal webpages not permitted to advertise their website using their name. Also claims all webpages must be preapproved and sent on cd for a 6 week approval time, and may not refer to anything but WEL COME.

Created By: JMOORE Created Date: 10/20/99

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 105.00

Amt Paid: 105.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 10/15/99

Initial Contact: In Person Transaction Date: 08/15/99

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

(b)(6)

Last name:

First: (b)(6)

Address:

Charlotte

City:

NC

State: NC Zip: (b)(6)

Country:

UNITED STATES

Work phone

(b)(6)

Fax Number:

Home Number:

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar -Amway

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

Rep Name: Stapivic, John

Title:

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 754869 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Quixtar representatives informed me and large groups of thousands of people that Quixtar would offer products through their website at the lowest price. I was required to pay \$99 to take advantage of these savings. Quixtar.com links to sites like IBM and Bass Pro Shops and dozens of others. We were told that if we linked to the IBM site for instance from Quixtar.com, we would buy at a price lower than going to IBM's site directly to purchase. we were told that all the linked stores offered us the lowest price-that's why we paid \$99. This has not been the case, and in fact shopping through Quixtar is either the same price or higher than going directly to the linked sites. I feel that Quixtar has not been t ruthful in their claims of income and savings.

Created By: HBUCKMON Created Date: 10/01/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 09/30/99

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Santa Clarita

State: NR Zip: (b)(6)

Country: LOCATION NOT REPORTED

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar.com

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 744371 Contact Type: Complaint Source: Consumer TCS? Y

Comments: This company has been emailing the following unsolicited spam: Return-Path: (b)(6) Received: from [216.208.61.8] ([38.11.199.217]) by hvmta01-stg.us.psimail.psi.net (InterMail v4.01.01.00 201-229-111) with SMTP id <19990901040850.OPCS1834.hvmta01-stg@[38.11.199.217]> for (b)(6) Wed, 1 Sep 1999 00:08:50 -0400 From:

(b)(6) All you need to know to Shop Discount Stores Mime-Version: 1.0 Content-Type: text/plain; charset=us-ascii Content-Transfer-Encoding: 7bit Date: Wed, 1 Sep 1999 00:08:54 -0400 Would you like access to shop at one of the World's largest online shopping discount stores that has 15,000 pages and 100,000 links? Name brand VCRs, Camera's, computers, shoes, clothing, jewelry, tires, &#8230; products from all walks of life at discount prices! Brand new online Sept. 1, 1999 Would you like to profit from sending others to shop Quixtar? Check out the benefits of becoming a member-plus of Quixtar! Can you to benefit from the e-commerce explosion? For additional information email Quixtar@1webave.com, saying you are interested We are terribly sorry if you have received this message in error. Unsubscribe: just hit reply-send. Thank you

Created By: HBUCKMON Created Date: 09/23/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 09/19/99

Initial Contact: Internet/E-mail Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: Internet Access Related Services Violations



09/13/2006

LMARASCO

Law Violation: Invasion of Privacy

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Hollis Hills

State: NY Zip:

(b)(6)

Country: UNITED STATES

Work phone ()

Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range:

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: digitalwebave@usa.net

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 725033 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Company is selling room on thier website for small businesses, the website never opened. From my conversation with the consumer it seems to be a pyramid. The company gets consumers to invest in the website and they get commission money for getting others to signup and a % of the profits for goods sold. Consumer used terms such as "downline" and "upline".

Created By: TROBINSON Created Date: 09/02/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 250.00

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Contact: Internet/E-mail Transaction Date: 01/01/99

Initial Response:Internet/E-mail

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: TSR: Other Deception or Abuse (note in comments)

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: State: NJ Zip:

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Amway

Address: 7500 Futon St E

City: ADA

State: MI Zip: 49357

Country: UNITED STATES

Email: abuse@amway

URL:

Phone: (919) 4694182 Ext:

Company: Quixtar

Address: Unknown

Unknown

City: Unknown

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: abuse@amway

URL:

Phone: () Ext:

**Company Representative**

**Associated Company**

Company: Amway

Address: 7500 Futon St E

City: ADA

State: MI Zip: 49357

Country: UNITED STATES

Phone: (919) 4694182 Ext:

Reason: Affiliate



09/13/2006

LMARASCO

**Transaction**

Ref No.: 707858 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I would like more information on Quixtar, a division of Amway. There personel are really pushing this company in my area and making grand promises of quick, easy wealth. I am skeptical to say the least.Thanks!(b)(6)

Created By: HBUCKMON Created Date: 08/13/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 225.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 08/09/99

Initial Contact: In Person Transaction Date: 08/09/99

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City: Port St Lucie

State: FL Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number:

(b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 686401 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This company is supposed to begin on September 1, 1999. A dear friend and her husband, who know nothing about computers or the internet, are anxiously waiting to invest. As they told me about the opportunity, I became suspicious. They spoke of members and signing up, things that sounded to me like a pyramid scheme. The company website seems to imply an association with Microsoft and IBM, though the wording was vague. There is also mention of big money to be earned. My friends are good, honest people and I don't want them to be scammed. Can you check it out?

Created By: HBUCKMON Created Date: 07/23/99

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 07/23/99

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Windsor Heights

State: WV Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)  
Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:<http://www.quixtar.com/edefaultnoanim.html>

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 684508 Contact Type: Complaint Source: Consumer TCS? Y

Comments: Businessman complains of receiving unsolicited e-mails from anothe company.

Created By: FTUCKER Created Date: 07/21/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: Planning and Information- BCP

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Mail Complaint Date: 06/01/99

Initial Contact: Internet/E-mail Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: Internet Access Related Services Violations

Law Violation: Invasion of Privacy

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone: () Ext:

Fax Number: ()

Home Number: ()

Email: (b)(6)

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address: Unknown

Unknown

City: Unknown

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 669860 Contact Type:Complaint Source:Consumer TCS? Y

Comments: A number of people previously involved with International Heritage are making the rounds of Mt. Pleasant, S.C. soliciting interest in a new multi-level, pyramid scheme. I am an attorney and not involved in either promoting or investing in the scheme. I am just interested in bringing this to the FTC's attention before we see another round of disappointments and great financial loss as was suffered by the same people approached on this one as occurred with International Heritage. Never underestimate the greed of man.

Created By: HBUCKMON Created Date: 07/02/99

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/30/99

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Myrtle Beach  
Country: UNITED STATES

State: SC Zip: (b)(6)

Work phone: (b)(6)  
Fax Number:  
Home Number:  
Email:  
Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:www.quixtar.com and  
www.countdown9199.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 631072 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I have helped you in the past so please listen now.This has got to be the biggest scam to ever hit the internet.Backed by the Amway MLM company and it is called Quixtar.Do a newsgroup sweep using Deja News and Alta Vista then use search engines to view the various web sites that are popping up like popcorn.You will see wild income claims, claims that say Bill Gates endorses it and on and on.This one will be a T-bone steak for the FTC and perhaps the Waterloo for Multi-Level-Marketing.Just use keyword Quixtar and you'll see.This Quixtar is also on AOL MLM forums.

Created By: HBUCKMON Created Date: 05/17/99

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 05/14/99

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Beaumont

State: TX Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range:



09/13/2006

LMARASCO

**Company**

Company: Quixtar (Amway)

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 627865 Contact Type:Complaint Source:Consumer TCS? Y

Comments: This is not a complaint, but rather a request for information on a company known as Quixtar, Inc. Does the FTC have any information on this company, and does there exist an advisory, or cautionary information published in relation to doing business with them? I have been contacted by a representative of Quixtar and asked to join as they introduce the company 1 September 1999. Through my personal research I have discovered that the company is closely affiliated with Amway and its multi-level marketing schemes, although when that direct question is asked of the contact person he deflects it by saying we are using their infrastructure and business plan, but we have no affiliation with them. My question is one of internet law, and what is legal today, or pending litigation that may impact the law in the future - Is this type of company allowed to legally operate over the internet? My local Better Business Bureau was unable to help me. Thank you for your time on this matter. (b)(6)

(b)(6)

(b)(6)

Created By: HBUCKMON Created Date: 05/13/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 150.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Internet Complaint Date: 05/12/99

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule:



09/13/2006

LMARASCO

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

City: Virginia Beach

Country: UNITED STATES

Work phone: (b)(6)

Fax Number:

Home Number:

Email:

Age Range:

First: (b)(6)

State: VA Zip: (b)(6)

**Company**

Company: Quixtar

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:Quixtar.com

Phone: ()

Ext:

**Company Representative**

**Associated Company**



09/13/2006

LMARASCO

**Transaction**

Ref No.: 583375 Contact Type:Complaint Source:Consumer TCS? Y

Comments: I have been asked to join a new e-commerce marketing company who's grand opening is supposed to be September 1, 1999. I've been told that this new venture consists of three corporations: Microsoft; IBM; and Amway. I'm surprised that these companies would be involved in a pyramid scheme. I have located an additional website at: <http://www.countdown9199.com/english/website/etail.html>I was asked to attend a seminar in Athens, Alabama next week. The presentation is to be delivered by a Dr. David Morgan of Athens, 256-232-9242. My neighbor said, if this Doctor is in the group, it can't be a scheme, but I have my doubts. The meeting is scheduled for Tuesday, March 16, 1999 at 7:00 p.m. Feel free to call me if you have any questions. Please keep my name confidential if you plan to investigate. Thank you (b)(6)

Created By: FTUCKER Created Date: 03/25/99

Updated By: IBOLEN Updated Date: 08/28/00

Org Name: PUBLIC USERS - CIS

Amt Requested: 168.00

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 03/12/99

Initial Contact: Phone Transaction Date: 03/08/99

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)



09/13/2006

LMARASCO

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: (b)(6)

First: (b)(6)

Address:

City: Athens,

State: AL Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6)

Fax Number:

Home Number:

Email:

Age Range:

**Company**

Company: Quixtar

Address: Unknown

Unknown

City: Unknown

State: NR Zip:

Country: LOCATION NOT REPORTED

Email: unknown

URL: <http://www.quixtar.com>

Phone: () Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 9685067 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer wants to know if a company Herbalife is a legitimate company. Consumer states he found them in an internet search. Consumer states they are offering him a multilevel marketing plan. Consumer was asked to pay 290.00 to join.

Created By: BMORGAN Created Date: 01/03/07

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 290.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 01/07/06

Initial Response:Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Brampton

State: ON Zip: (b)(6)

Country: CANADA

Work phone: (b)(6) Ext:

Fax Number:

Home Number: (b)(6)

Email: (b)(6)

Age Range: 40 - 49



01/25/2007

MWOODSON

**Company**

Company: Herbalife

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 9666667 Contact Type:Complaint Source:Consumer TCS? Y

Comments: MAIL: The consumer's letter was forwarded by the Georgia Dept of Law. The consumer writes that he contacted Herbalife International in regards to drawing in new customers. The consumer purchased leads that were supposed to lead him to recruits but notes that they did not. The consumer feels that the system provided was faulty. No email address was provided.

Created By: RBROWN1 Created Date: 12/28/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 700.00

Amt Paid: 700.00 Payment Method: Not Reported

Agency Contact: Mail Complaint Date: 12/04/06

Initial Contact: Unknown Transaction Date: 12/04/06

Initial Response: Unknown

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Flowery Branch

State: GA Zip (b)(6)

Country: UNITED STATES

Work phone (b)(6) Ext:

Fax Number:

Home Number:

Email:

Age Range:



01/25/2007

MWOODSON

**Company**

Company: Herbalife International

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 9616143 Contact Type:Complaint Source:Consumer TCS? Y

Comments: CONTACT SENTINEL@FTC.GOV FOR MORE COMMENT INFORMATION. ALSO, TO PREVENT INTERFERENCE WITH PENDING ACTIONS, PRIOR TO ANY INVESTIGATIVE ACTION CONTACT THE IFCC AT SEARCH@IFCCFBI.GOV. ICC Ref # (b)(6): I have reason to believe that the indicated individual used sensitive data to steel my credit card out and make large international purchases. Earlier this year I began to distribute Herbalife products under this individual. One Herbalife form sent to her has highly sensitive data such as my social security number, address, phone number, etc. I needed her assistance in making one particularly large purchase, around \$2,000, over the phone directly from Herbalife. The purchase was made and everything was fine. I have since become less active in the company and currently work as an ESL teacher at a company in Dallas. About three weeks ago I was astonished to see online that a credit card from my bank had just under \$10,000 worth of charges that I had not made. The credit card with the fraudulent charges was never received so I am not sure how the physical card was obtained, if at all. Ontop of all of this, I have been receiving an extremely large amount of phone calls from a PRIVATE NUMBER. I never answer but they always leave a message stating the same thing. &quot;Please call JoAnn Greentree at 1-800-707-2637. I have received a call everyday for the past two to three months. Everyttime it's the same message. I never called for fear that if I returned the call they would charge my phone a ridiculous fee or something of that nature. I finally called last Wednesday, (Oct. 4th, 2006) to find out who it was. I called from Brookhaven College's phone in Farmers Branch, Texas (my school). They immediately put me on hold then answered the call. The minute the phone was answered I thought it was Jacquelyn Bahon (with no previous suspicions about h

Created By: IFCC Created Date: 10/06/06

Updated By: Updated Date:

Org Name: Internet Fraud Complaint Center

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: External Agency Complaint Date: 10/06/06

Initial Response:

Product/Service: Other (Note in Comments)

Statute/Rule:



01/25/2007

MWOODSON

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name:

(b)(6)

First (b)(6)

Address:

City:

DALLAS

State: TX Zip

(b)(6)

Country:

UNITED STATES

Work phone

( )

Ext:

Fax Number:

( )

Home Number:

(b)(6)

Email:

Age Range:

**Company**

Company: Herbalife

Address: 3010 Saint Lynda Drive

City: MANSFIELD

State: TX Zip: 76063

Country: UNITED STATES

Email:

URL:

Phone:

(817) 4779427

Ext:

**Company Representative**

Rep Name: Bahon, Jacquelyn

Title:

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 8777628 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Distributorship--Getting a refund--being mislead.) I was training to be a distributor. It's misleading and I wanted to return the materials. Bob told me to mail them back, I have emails from him stating so with the address, I did, and he sent the boxes back to me. They're giving me the run-around, and I don't know how to get my money back. He doesn't return my calls, and I'm out \$3100. Who do I turn to? I paid close to \$200 in shipping and I have the boxes back again.

Created By: MPHILLIPS Created Date: 08/08/06  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 3,100.00  
Amt Paid: 3,100.00 Payment Method:MasterCard Credit Card  
Agency Contact: Internet Complaint Date: 08/04/06  
Initial Contact: TV/Radio Transaction Date: 07/10/06

Initial Response:

Product/Service: Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name:

(b)(6)

First:

(b)(6)

Address:

City:

Burlington

State: NC Zip:

Country:

UNITED STATES

Work phone

( )

Ext:

Fax Number:

(b)(6)

Home Number:

Email:

Age Range:

50 - 59



01/25/2007

MWOODSON

**Company**

Company: Herbalife International

Address: 620 Newport Center Drive, Suite 400

City: Newport Beach

State: CA Zip: 92660

Country: UNITED STATES

Email: Doran@freedom4yourfamily.com

URL:Herbalife.com

Phone: (949) 7203636 Ext:

**Company Representative**

Rep Name: Rake, Bob

Title:

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 8543374 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: Work at Home Business) I found a "Work at Home" advertisement online and submitted my information. I was aggressively convinced by the Herbalife representative to invest thousands of dollars in this "home based business". I was told to invest in websites, promotional material, etc. I later found that in order to make money, you have to buy excessive amounts of products and resell them. Months later and thousands of dollars wasted, I realized that this was a pyramid scheme. I did not like the fact that the company hid behind various names in order to conceal its identity.

Nearly a year later, I am still struggling to get my life together. This scam has put me in a financial bind for many months following the initial sign-up.

Created By: DCRASE Created Date: 07/05/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 2,000.00

Amt Paid: 1,931.00 Payment Method: Wire Transfer

Agency Contact: Internet Complaint Date: 07/02/06

Initial Contact: Phone Transaction Date: 06/01/05

Initial Response:

Product/Service: Multi-Level Mktg\Pyramids\Chain Letters

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining Company/Org.:

Last name: (b)(6)  
Address:

First: (b)(6)

City: Hobe Sound

State: FL Zip: (b)(6)

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()  
Home Number: (b)(6)  
Email:

Age Range: 18 - 19



01/25/2007

MWOODSON

**Company**

Company: Herbalife International

Address: 9800 S. La Cienega Blvd.

City: Inglewood

State: CA Zip: 90301

Country: UNITED STATES

Email:

URL:www.herbalife.com

Phone: (866) 8664744 Ext:

**Company Representative**

Rep Name: Greenen, Jerry

Title:

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 8534036 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Fraudulent ad: Company is advertising in job listings. Lists Gretel Tchida testimonial. Please see this link to see that Gretel Tchida would have to live 7 lives to have done all these things. This must be a fictitious person and fraudulent ad. Or maybe a real person fabricating things.  
"http://www.google.com/search?q=Gretel+Tchida+email&hl=en&lr=&safe=off&start=10&sa=N"  
"Gretel Tchida I spent 20 years stuck as a Programmer in the Engineering field"  
"Gretel Tchida I spent 20 years stuck as an retail sales representative"  
"Gretel Tchida I spent 20 years stuck as a Customer Service Agent"  
"Gretel Tchida I spent 20 years stuck as a banker"  
"Gretel Tchida I spent 20 years stuck as an Advertising and Marketing working on commission"  
"Gretel Tchida I spent 20 years stuck as a Human Resource job in the IT Information Technology field"  
"Gretel Tchida I spent 20 years stuck as an Administrative Assistant"  
"Independent Herbalife Distributor Gretel Tchida 6803 10 Ave Edmonton AB T6K 2T9 Phone : 780 - 440 - 6011"  
"http://www.google.com/search?hl=en&q=Gretel+Tchida&btnG=Google+Search"  
Asks for \$9.95 for info pack, but then there is a \$38 materials pack and a \$299 product sample pack. And then distributor lures new person to sign up for tape training that costs each month. I think this is a pyramid scheme.

Created By: RBROWN1 Created Date: 07/03/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 350.00

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/29/06

Initial Contact: Internet (Other) Transaction Date: 06/29/06

Initial Response:

Product/Service: Employ Agencies\Job Counsel\Overseas Work

Statute/Rule: FTC Act Sec 5 (BCP)



01/25/2007

MWOODSON

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: D

First: D

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

(b)(6)

Age Range:

**Company**

Company: Herbalife

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: () Ext:

**Company Representative**

Rep Name: Tchida, Gretel

Title:

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 8466034 Contact Type:Complaint Source:Consumer TCS? Y

Comments: MAIL: Complaint forwarded by the CA Dept of Consumer Affairs for action by FTC. Consumer has complaint against Herbalife International of America. Consumer sent for info and called upon receipt. Consumer was told they would send product to start his business at \$3.99. Consumer found ou the company charged him \$399 on unknown cc. Consumer was told they would refund the \$399. No alternate ph# provided or email.

Created By: JHART Created Date: 06/21/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 399.00

Amt Paid: 399.00 Payment Method: Other Credit Card

Agency Contact: Mail Complaint Date: 05/02/06

Initial Contact: Mail Transaction Date:

Initial Response:Phone: other

Product/Service: Health Care: Dietary Supplements\Herbal Remedies  
Bus Opps\Franchises\Distributorships

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address: (b)(6)

City: Enfield

State: CT Zip: (b)(6)

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: (b)(6)

Email: (b)(6)

Age Range:



01/25/2007

MWOODSON

**Company**

Company: Herbalife International of America

Address: 9800 S La Cienega Blvd

PO Box 80210

City: Los Angeles

State: CA Zip: 90080-0210

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 8132203 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer has a complaint against Herbalife. Consumer states he contacted this company and thought he ordered a sample for \$3.99, but received a large box of products and they charged his cc \$399.00. Consumer states they want him to pay shipping charges for sending itmes back. No email address.

Created By: JPITTS Created Date: 05/01/06  
Updated By: JPITTS Updated Date: 05/01/06  
Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL  
Amt Requested: 399.00  
Amt Paid: 399.00 Payment Method: American Express Credit Card

Agency Contact: Phone Complaint Date:

Initial Contact: Internet Web Site Transaction Date: 04/15/06

Initial Response:Phone: 800/888

Product/Service: Health Care: Dietary Supplements\Herbal Remedies

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name: (b)(6)

First: (b)(6)

Address:

(b)(6)

City: Enfield

State: CT Zip

Country: UNITED STATES

Work phone (b)(6)

Ext:

Fax Number:

Home Number:

Email:

Age Range: 20 - 29



01/25/2007

MWOODSON

number

**Company**

Company: Herbalife

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 7942178 Contact Type:Complaint Source:Consumer TCS? Y

Comments: Consumer has a complaint against Herbalife International. Consumer states he was unable to make the amount of money they claimed he would make as an independent contractor. Consumer states he was required to purchase a start-up kit for \$94 and estimates he lost approx \$4000. Consumer states the people who bought the products were dissatisfied with them.

Created By: JPITTS Created Date: 03/30/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: 94.00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Print Transaction Date: 08/01/05

Initial Response:Phone: 800/888

Product/Service: Work-At-Home Plans

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)  
Last name: (b)(6)  
Address: (b)(6)

First: (b)(6)

City: Milford

State: CT Zip: (b)(6)

Country: UNITED STATES

Work phone: (b)(6) Ext:

Fax Number:

Home Number: (b)(6)  
Email:

Age Range: 30 - 39



01/25/2007

MWOODSON

number

**Company**

Company: Herbalife International

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 7778410 Contact Type:Complaint Source:Consumer TCS? Y

Comments: (Product Name: protein shakes, teas, nutritional supplements)  
I bought various supplements from Herbalife i weighed myself and did not lose weight.The company representatives refuse to return my calls or help me. I try to reach the sales representative with no success. i want my money back please help me. millions like me are affected. thank you.

Created By: RLOPER Created Date: 03/03/06

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 274.00

Amt Paid: 274.00 Payment Method: Cash

Agency Contact: Internet Complaint Date: 03/02/06

Initial Contact: In Person Transaction Date:

Initial Response:

Product/Service: Health Care: Dietary Supplements\Herbal Remedies

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

Address:

City: Fontana

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: (b)(6)

Email:

Age Range: 20 - 29

First: (b)(6)

State: CA Zip (b)(6)



01/25/2007

MWOODSON

**Company**

Company: Herbalife

Address:

City: Los Angeles

State: CA Zip:

Country: UNITED STATES

Email:

URL:

Phone: ()

Ext:

**Company Representative**

**Associated Company**



01/25/2007

MWOODSON

**Transaction**

Ref No.: 7590486 Contact Type: Request for Information Source: Consumer TCS? Y

Comments: Consumer wanted info on Herbalife, if it had good ratings to do bussiness with because he contacted the BBB and they have a good report on it. No personal info was provided.

Created By: DGIRONCHAVEZ Created Date: 02/02/06

Updated By: Updated Date:

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested: .00

Amt Paid: .00 Payment Method: Unknown

Agency Contact: Phone Complaint Date:

Initial Contact: Unknown Transaction Date: 02/02/06

Initial Response: Unknown

Product/Service: Health Care: Dietary Supplements\Herbal Remedies

Statute/Rule:

Law Violation:

**Consumer**

Complaining

Company/Org.: (b)(6)

Last name:

First: (b)(6)

Address:

City: Wilmington

State: CA Zip: (b)(6)

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



01/25/2007

MWOODSON

**Company**

Company: Herbalife

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

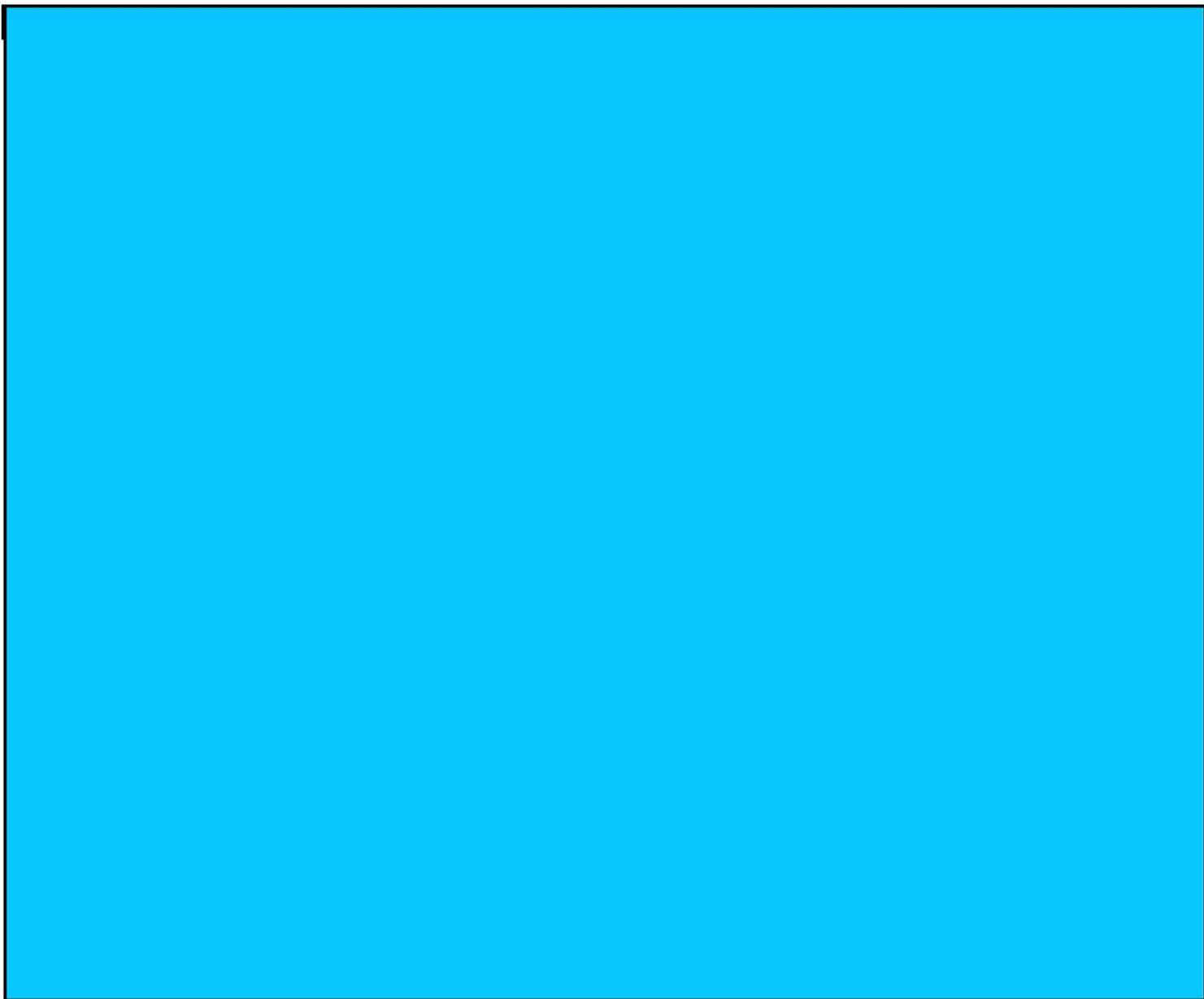
URL:

Phone: ()

Ext:

**Company Representative**

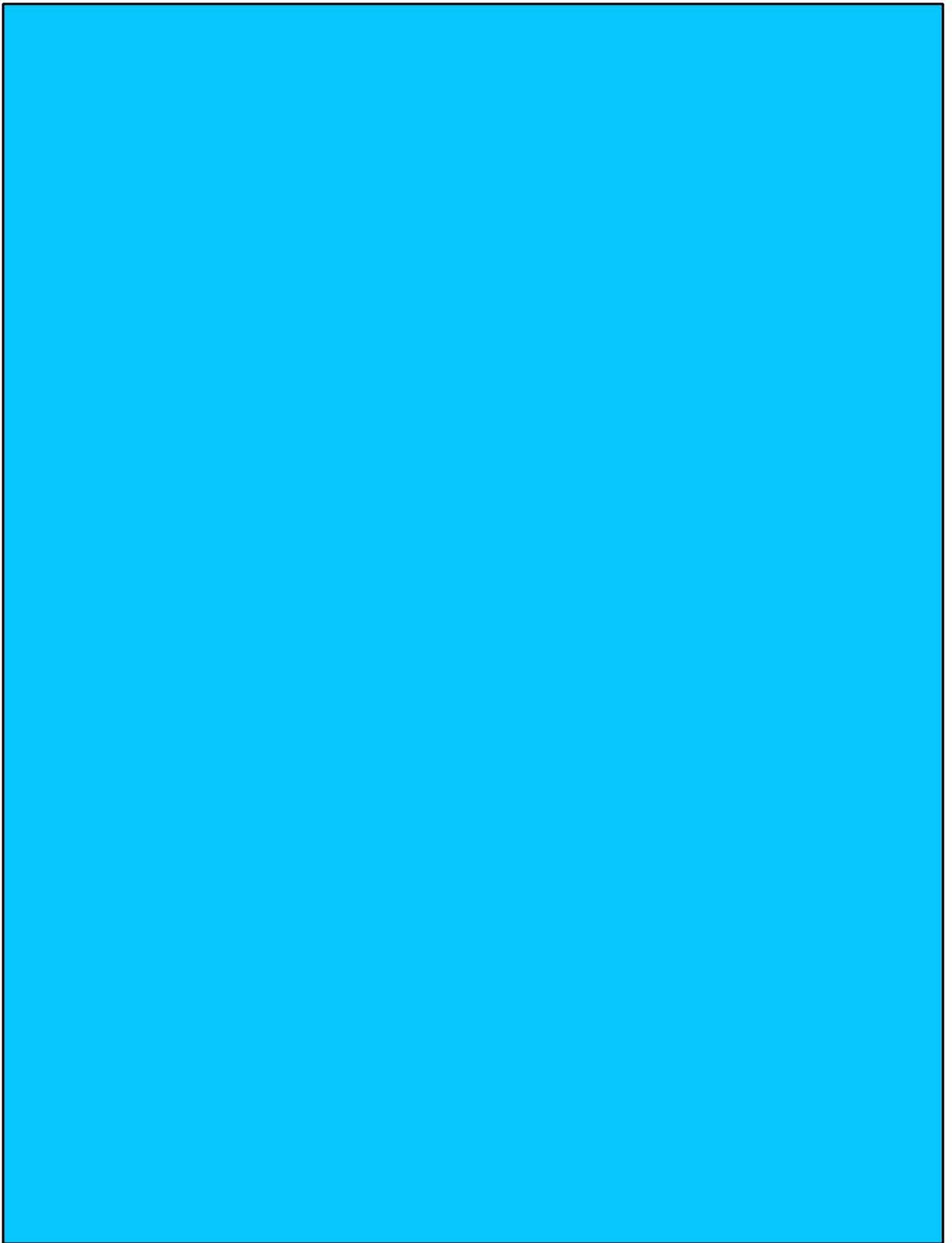
**Associated Company**



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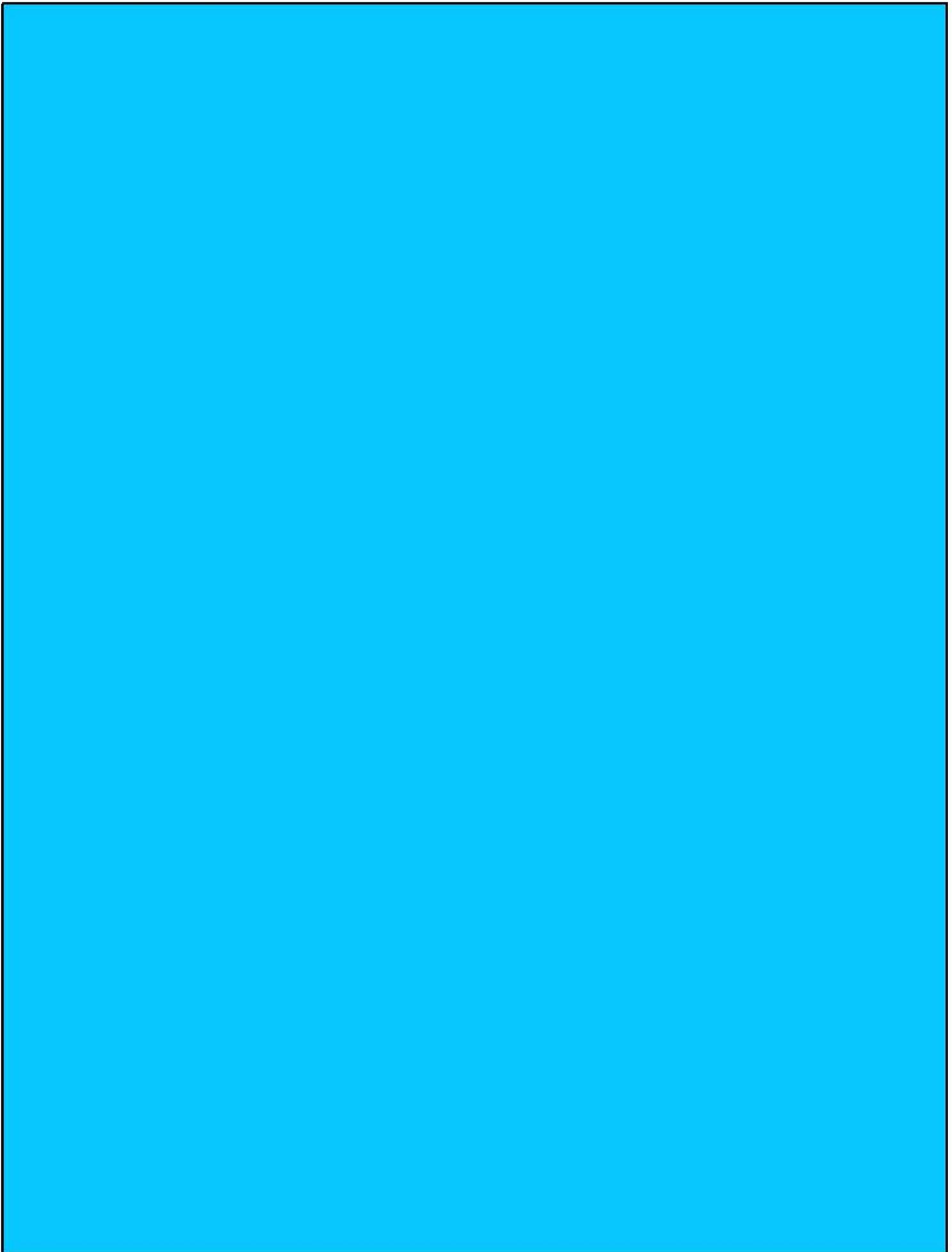
**Sent:** Monday, May 20, 2013 1:12 PM

**To:** Kaplan, Peter P.

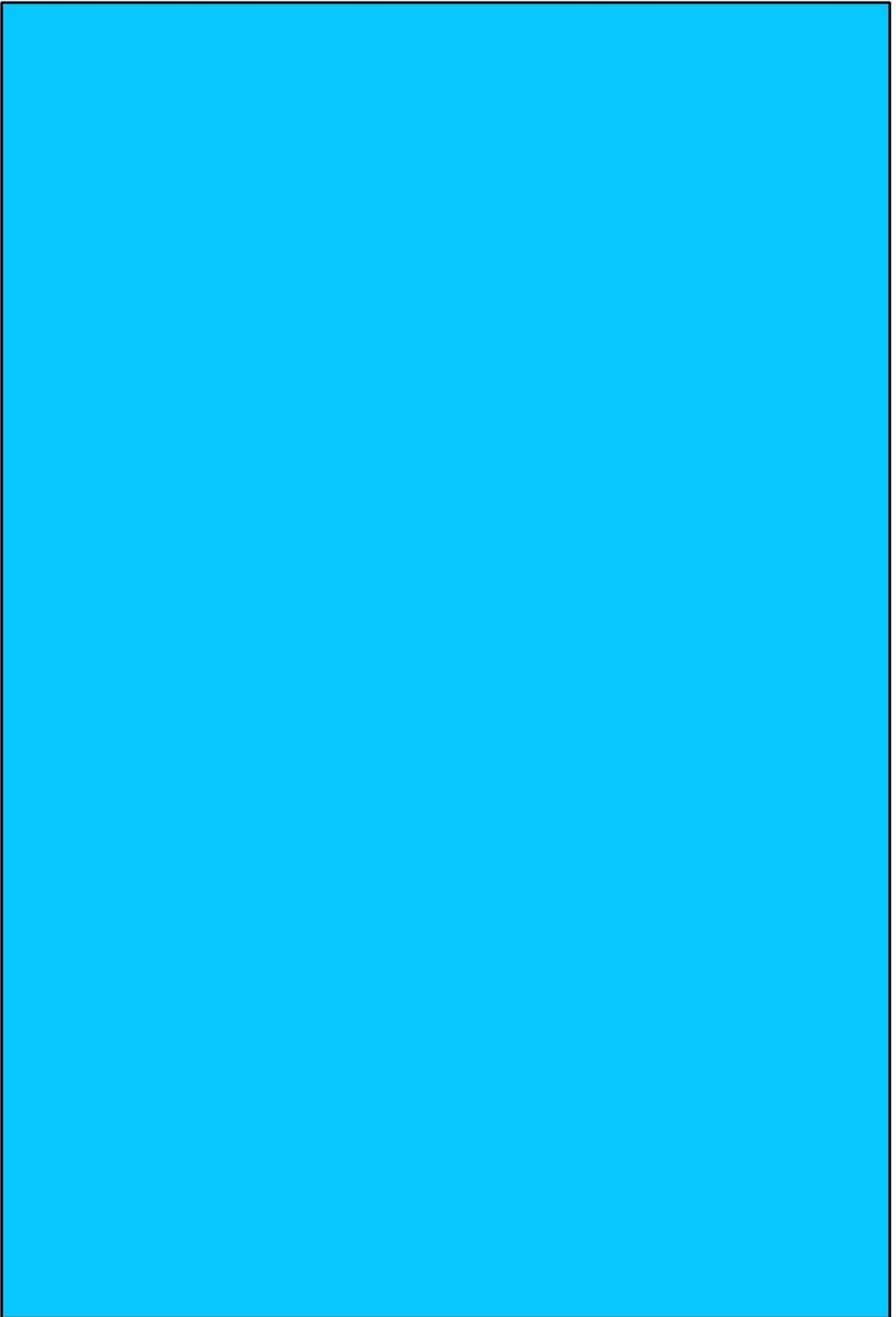
**Subject:** FW: FTC/Herbalife

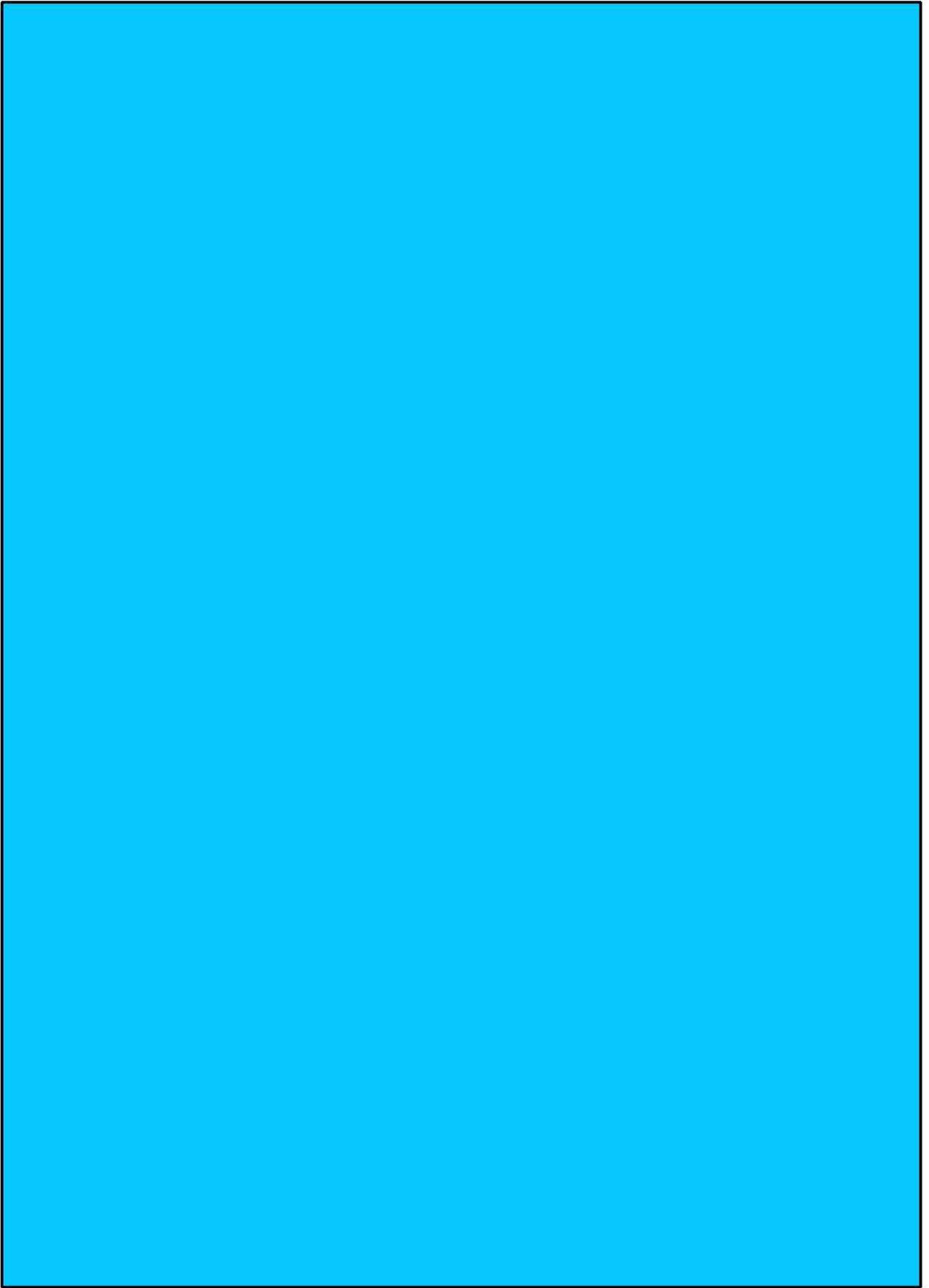
Did you all get these letters? We're writing...

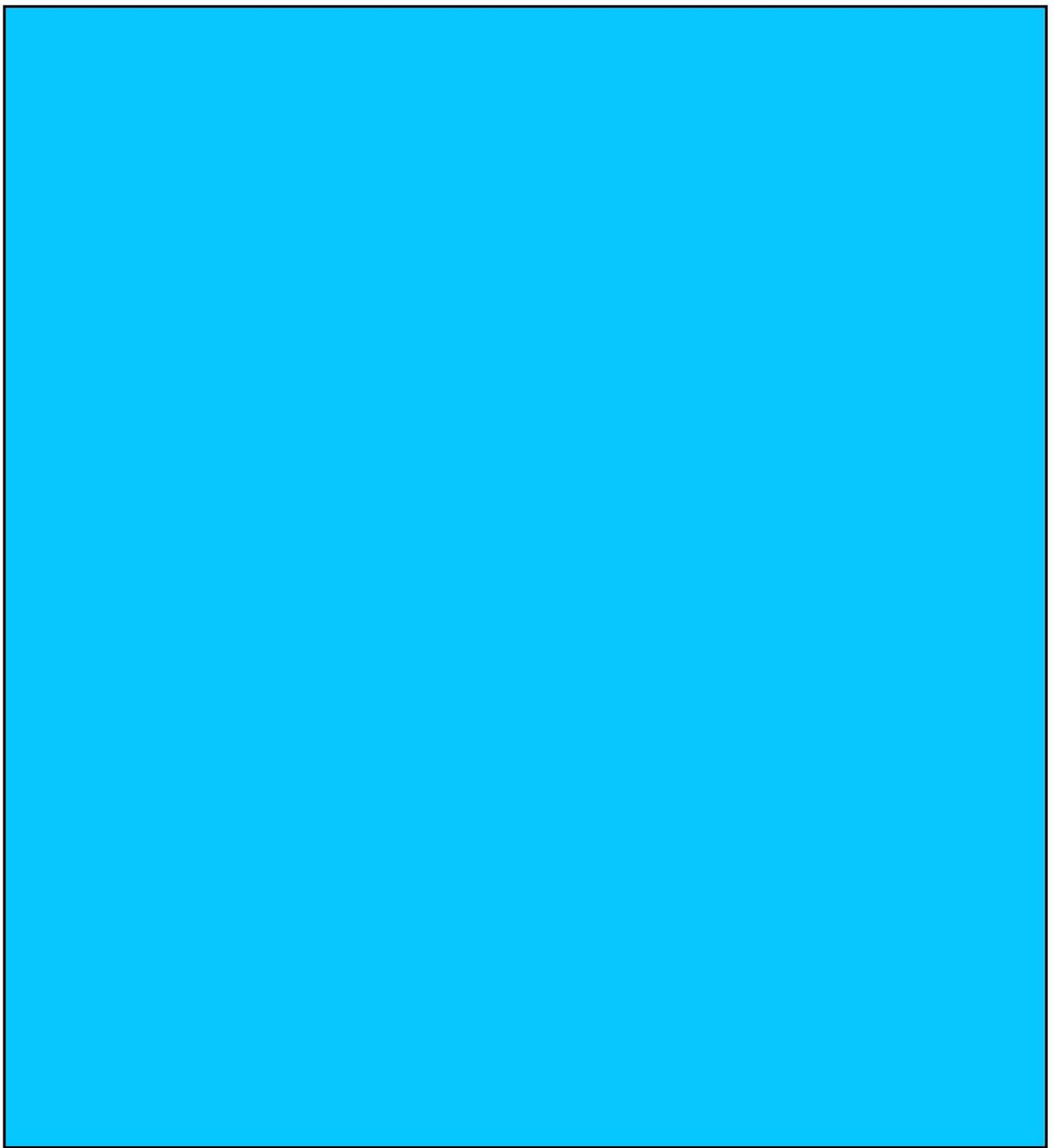
I'm at 











**Bajorek, Rosemary**

**From:** Vera, Elena R.  
**Sent:** Monday, April 08, 2013 3:25 PM  
**To:** Bajorek, Rosemary  
**Subject:** FW: FOIA request

FOIA REQUEST TRACKER  
FOIA

APR 09 2013

FOIA REQUEST TRACKER  
FOIA

**From:** Aubrey Wise [mailto:[awise@oneeastcap.com](mailto:awise@oneeastcap.com)]  
**Sent:** Monday, April 08, 2013 3:23 PM  
**To:** Vera, Elena R.  
**Subject:** FOIA request

Hi Elena,

Thanks again for all your help with our original FOIA request. We would like to amend it / submit a new request to view more recent records. Please see details below.

FOIA Request on behalf of One East Partners regarding Herbalife, Ltd. (hereafter "Herbalife", corporate headquarters located at 800 West Olympic Boulevard, Suite 406, Los Angeles, CA 90015).

- 1) All emails between the FTC and Dr. Peter Vander Nat regarding Herbalife since February 1, 2013
- 2) All records related to any FTC investigation of Herbalife that has been opened since February 1, 2013
- 3) All email among FTC Commissioners and FTC Staff regarding Herbalife since February 1, 2013 but EXCLUDING any emails that are generated by the FTC's automated Daily Clips program for media stories
- 4) All correspondence between the FTC and Herbalife since February 1, 2013
- 5) Any inter-government letters between the FTC and other federal agencies or state attorneys general regarding Herbalife since February 1, 2013
- 6) A list of all FOIA requests made to the FTC regarding Herbalife since February 1, 2013.

Please send the completed requests and associated invoice to me at the address below (USPS is fine). Please use a cap of \$1,000 for this request.

Thank you again.

Regards,  
Aubrey

Aubrey Wise  
One East Partners  
551 Madison Avenue, 10<sup>th</sup> Floor  
New York, NY 10022  
212-230-4525  
[awise@OneEastCap.com](mailto:awise@OneEastCap.com)

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**From:** Bajorek, Rosemary </O=FTCEXCHANGE/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=RBAJOREK>  
**Sent:** Thursday, February 28, 2013 11:02 AM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** FOIA Concurrence  
**Attach:** Herbalife Docs.pdf; Concurrence\_Memo.docx

---

Hi Monica,

Please see the attached two pages we plan to release regarding FOIA-2013-00339 on Herbalife. Everything inside the boxes will be completely redacted. Please complete and return the attached concurrence memo, and let me know if you have any questions.

Thanks!  
Rose

Rosemary S. Bajorek  
Paralegal Specialist  
Office of the General Counsel  
Federal Trade Commission  
202.326.3363



United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

To: Monica Vaca  
From: Rosemary Bajorek, OGC, FOIA Division  
Mail Drop: H-585  
Date: February 28, 2013  
Re: Concurrence  
FOIA-2013-00339

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The Office of the General Counsel intends to release the enclosed records pertaining to Herbalife under the Freedom of Information Act (FOIA). President Obama and Attorney General Holder issued memoranda instructing government agencies to release more documents in the spirit of openness. In order to withhold records from disclosure, we need to articulate foreseeable harm relating to the release of the particular documents in question.

Please inform this office by COB Monday, March 4, 2013, of any foreseeable harm caused by the release of these documents by completing and returning this memo. If you do not see any foreseeable harm, please simply sign and return this memo. Please feel free to attach further pages for comments as needed. Should you wish to discuss the matter, please call me at (202) 326-3363.

Concur: Yes / No

Do Not Concur because:

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# ATTACHMENT INFO

Location: C:\Users\FTC\Desktop\law processing  
Gregn\Mark\_Folder\VACA (7 of 50)

From: Greisman, Lois C. </O=FTCEXCHANGE/OU=FIRST  
ADMINISTRATIVE  
GROUP/CN=RECIPIENTS/CN=LGREISMAN>

Sent: Thursday, February 7, 2013 11:17 AM

Subject: Fw: [WARNING: MESSAGE ENCRYPTED]Herbalife

Attachment: 1 of 2 (Herbalife\_Questions.pdf)

Comments: Timeout occurred while waiting for image output

# ATTACHMENT INFO

**From:** Davis, Regina L. </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=RWILLIAMS2>  
**Sent:** Wednesday, February 6, 2013 2:07 PM  
**To:** Greisman, Lois C. <LGREISMAN@ftc.gov>; Vaca, Monica E. <MVACA@ftc.gov>; Anguizola, Roberto <ranguizola@ftc.gov>; Salsburg, Daniel R. <DSALSBURG@ftc.gov>  
**Subject:** FW: Request for Documents - FOIA-2013-00339  
**Attach:** Request for Documents - FOIA-2013-00339.doc; 339.pdf

---

Please respond to inquiry.

Many thanks.  
Regina L. Davis

**From:** Bajorek, Rosemary  
**Sent:** Wednesday, February 06, 2013 1:49 PM  
**To:** Davis, Regina L.  
**Subject:** Request for Documents - FOIA-2013-00339

Good Afternoon,

On January 14, 2013, we received a FOIA request regarding Herbalife. (See attached request letter for more detail.)

Here are some key points for responding:

1. You need to search promptly for responsive records, whether or not they will ultimately be subject to disclosure. This is because we are under a preservation obligation as soon as a FOIA request is received.
2. Send any documents responsive to this request to me, Rosemary Bajorek in HQ-585. If you have questions about whether documents are responsive or you need assistance downloading or providing the documents, please call me at (202) 326-3363. If you have a legal question, please contact OGC attorney Dione Stearns, who supervises the program.
3. Please send (or provide access to) all responsive records, even if you expect parts or the entire package to be withheld under one of nine FOIA exemptions. The FOIA office must have a record showing we have carefully reviewed all responsive documents. If there is information that will help the FOIA Office's review, please include the information in the comments field of the attached referral form.
4. Once the FOIA Office completes its initial review, we will send the documents back to you with any proposed redactions based on applicable FOIA exemptions. At that point you can raise any objections you may have to the information we propose to release, and we can discuss additional redactions. We will always make sure you understand what information is being released before we send records to the requester.
5. Please be sure to send the signed referral form (attached) along with the responsive documents. If your search reveals no responsive records, please return the referral form with your signature, the time it took you to search and a statement in the comments field that you searched and found no responsive documents.
6. The FOIA stipulates that we respond within 20 working days, so we need to do our best to meet the deadline for this request, February 13, 2013. Note that we are not permitted to charge the requester for search time if we miss the deadline.

7. Additional information can be found at <https://ftcintranet.ftc.gov/cfportal/foia/index.cfm>.

If you have any other questions or concerns, or if it seems like the search for documents will take much over one to two hours, please don't hesitate to contact me at (202) 326-3363. Thank you for your time!

Sincerely,  
Rosemary Bajorek

Freedom of Information Act FOIA-2013-00339

Request for Documents – Referral Form

Return to **Rosemary Bajorek by COB 2/12/13** – HQ-585 – (202) 326-3363

**Search Date:** Click here to enter a date.

**Date Records Forwarded to FOIA Office:** Click here to enter a date.

**Internal Documents**

- Final Commission Memoranda
- Procedural Sheets (e.g. MIN, MUN, Voting Sheets)
- E-mail Records
  - Inbox
  - Sent Items
  - Trash
  - Archives
  - Notes, Tasks, Appointments
- Voice mail
- Videotape
- PDA/BlackBerry

**Internal Documents (Cont'd)**

- Shared Drives (e.g. K:\ drive)
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- Notes
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- Blogs
- ROLitigate

**3<sup>rd</sup> Party Submissions**

- Voluntarily submitted
- Compulsory process
- Confidential Source Material
- Hart-Scott-Rodino Submissions
- Compliance Reports
- White Papers
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- Staff Opinion/Advice
- Closing Letters

**Other (Please explain below)**

**Description of Records Forwarded to FOIA Office (i.e. Estimated Number of Boxes, Pages, etc.):**

**Are there any other offices that may have responsive records?**  Yes  No (If yes, please explain below)

**Additional Comments:**

**Search Time:**

Attorney:  Hours  Minutes Other Professional:  Hours  Minutes

**I hereby certify that the foregoing was completed on:** Click here to enter a date.

Name:

Phone:

Title:

E-mail:

**Kelly, Andrea**

---

**From:** Apache server <apache@hq1-webdmz-s3.ftc.gov>  
**Sent:** Monday, January 14, 2013 1:24 PM

FOIA - 2013 - 00339

name = Yitzchak Jacobovitz  
staddr = 300 Independence Ave.  
city = Washington  
state = DC  
zipcode = 20003  
telno = 2024499859

FEDERAL TRADE COMMISSION  
RECEIVED

JAN 14 2013

FOIA BRANCH  
GENERAL COUNSEL

faxno =  
email =  
coinfo = Herbalife1800 Century Park E Los Angeles, CA I am requesting information on any investigative actions related to Herbalife, any consumer complaints that FTC received regarding Herbalife, and information on meetings between FTC and the SEC relating to Herbalife. Thanks for your help.

EdSciName =  
describe = Private Corporation or Law Firm  
privatelawname = Capstone LLC  
medianame =  
money = Up to \$100  
B13 = Submit

**From:** Vaca, Monica E. </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=MVACA>  
**Sent:** Monday, February 11, 2013 10:02 AM  
**To:** Bajorek, Rosemary <rbajorek@ftc.gov>  
**Subject:** FW: Request for Documents - FOIA-2013-00339  
**Attach:** Request for Documents - FOIA-2013-00339.doc; 339.pdf

---

What is the end date for this request?

---

**From:** Davis, Regina L.  
**Sent:** Wednesday, February 06, 2013 2:07 PM  
**To:** Greisman, Lois C.; Vaca, Monica E.; Anguizola, Roberto; Salsburg, Daniel R.  
**Subject:** FW: Request for Documents - FOIA-2013-00339

Please respond to inquiry.

Many thanks.  
Regina L. Davis

**From:** Bajorek, Rosemary  
**Sent:** Wednesday, February 06, 2013 1:49 PM  
**To:** Davis, Regina L.  
**Subject:** Request for Documents - FOIA-2013-00339

Good Afternoon,

On January 14, 2013, we received a FOIA request regarding Herbalife. (See attached request letter for more detail.)

Here are some key points for responding:

1. You need to search promptly for responsive records, whether or not they will ultimately be subject to disclosure. This is because we are under a preservation obligation as soon as a FOIA request is received.
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Sincerely,  
Rosemary Bajorek

Freedom of Information Act FOIA-2013-00339

Request for Documents – Referral Form

Return to **Rosemary Bajorek by COB 2/12/13** – HQ-585 – (202) 326-3363

**Search Date:** Click here to enter a date.

**Date Records Forwarded to FOIA Office:** Click here to enter a date.

**Internal Documents**

- Final Commission Memoranda
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  - Sent Items
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**Internal Documents (Cont'd)**

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- Notes
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**3<sup>rd</sup> Party Submissions**

- Voluntarily submitted
- Compulsory process
- Confidential Source Material
- Hart-Scott-Rodino Submissions
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**Other (Please explain below)**

**Description of Records Forwarded to FOIA Office (i.e. Estimated Number of Boxes, Pages, etc.):**

**Are there any other offices that may have responsive records?**  Yes  No (If yes, please explain below)

**Additional Comments:**

**Search Time:**

Attorney:  Hours  Minutes Other Professional:  Hours  Minutes

**I hereby certify that the foregoing was completed on:** Click here to enter a date.

Name:

Phone:

Title:

E-mail:

**From:** Vaca, Monica E. </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=MVACA>  
**Sent:** Friday, March 1, 2013 5:09 PM  
**To:** Bajorek, Rosemary <rbajorek@ftc.gov>  
**Subject:** RE: FOIA Concurrence  
**Attach:** SKMBT\_42313030117060.pdf

---

Thanks Rosemary. The signed concurrence is attached.

---

**From:** Bajorek, Rosemary  
**Sent:** Thursday, February 28, 2013 11:02 AM  
**To:** Vaca, Monica E.  
**Subject:** FOIA Concurrence

Hi Monica,

Please see the attached two pages we plan to release regarding FOIA-2013-00339 on Herbalife. Everything inside the boxes will be completely redacted. Please complete and return the attached concurrence memo, and let me know if you have any questions.

Thanks!  
Rose

Rosemary S. Bajorek  
Paralegal Specialist  
Office of the General Counsel  
Federal Trade Commission  
202.326.3363



United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

To: Monica Vaca  
From: Rosemary Bajorek, OGC, FOIA Division  
Mail Drop: H-585  
Date: February 28, 2013  
Re: Concurrence  
FOIA-2013-00339

---

The Office of the General Counsel intends to release the enclosed records pertaining to Herbalife under the Freedom of Information Act (FOIA). President Obama and Attorney General Holder issued memoranda instructing government agencies to release more documents in the spirit of openness. In order to withhold records from disclosure, we need to articulate foreseeable harm relating to the release of the particular documents in question.

Please inform this office by COB Monday, March 4, 2013, of any foreseeable harm caused by the release of these documents by completing and returning this memo. If you do not see any foreseeable harm, please simply sign and return this memo. Please feel free to attach further pages for comments as needed. Should you wish to discuss the matter, please call me at (202) 326-3363.

Concur:  Yes /  No

Do Not Concur because:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Monica Vaca  
Signature

3/1/2013  
Date

**From:** Bajorek, Rosemary </O=FTCEXCHANGE/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=RBAJOREK>  
**Sent:** Monday, February 11, 2013 10:42 AM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** RE: Request for Documents - FOIA-2013-00339

---

The end date is January 14, 2013, the day we received the request.

Thanks!  
Rose

---

**From:** Vaca, Monica E.  
**Sent:** Monday, February 11, 2013 10:02 AM  
**To:** Bajorek, Rosemary  
**Subject:** FW: Request for Documents - FOIA-2013-00339

What is the end date for this request?

---

**From:** Davis, Regina L.  
**Sent:** Wednesday, February 06, 2013 2:07 PM  
**To:** Greisman, Lois C.; Vaca, Monica E.; Anguizola, Roberto; Salsburg, Daniel R.  
**Subject:** FW: Request for Documents - FOIA-2013-00339

Please respond to inquiry.

Many thanks.  
Regina L. Davis

**From:** Bajorek, Rosemary  
**Sent:** Wednesday, February 06, 2013 1:49 PM  
**To:** Davis, Regina L.  
**Subject:** Request for Documents - FOIA-2013-00339

Good Afternoon,

On January 14, 2013, we received a FOIA request regarding Herbalife. (See attached request letter for more detail.)

Here are some key points for responding:

1. You need to search promptly for responsive records, whether or not they will ultimately be subject to disclosure. This is because we are under a preservation obligation as soon as a FOIA request is received.
2. Send any documents responsive to this request to me, Rosemary Bajorek in HQ-585. If you have questions about whether documents are responsive or you need assistance downloading or providing the documents, please call me at (202) 326-3363. If you have a legal question, please contact OGC attorney Dione Stearns, who supervises the program.
3. Please send (or provide access to) all responsive records, even if you expect parts or the entire package to be withheld under one of nine FOIA exemptions. The FOIA office must have a record showing we have carefully reviewed all responsive documents. If there is information that will help the FOIA Office's review, please include the information in the comments field of the attached referral form.

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Sincerely,  
Rosemary Bajorek

**From:** Bajorek, Rosemary </O=FTCEXCHANGE/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=RBAJOREK>  
**Sent:** Thursday, February 21, 2013 9:55 AM  
**To:** Greisman, Lois C. <LGREISMAN@ftc.gov>; Anguizola, Roberto <ranguizola@ftc.gov>; Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** Referral Form  
**Attach:** Request for Documents - FOIA-2013-00339[1].doc

---

Good Morning,

Thank you all for the Herbalife records. Could you please fill out the attached referral form (one form on behalf of all three of you is fine). You can just indicate in the comments field that I received emails and personal notes from the three of you. Please let me know if you have any questions.

Thanks,  
Rose

Freedom of Information Act FOIA-2013-00339

Request for Documents – Referral Form

Return to **Rosemary Bajorek by COB 2/12/13** – HQ-585 – (202) 326-3363

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**Date Records Forwarded to FOIA Office:** Click here to enter a date.

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**3<sup>rd</sup> Party Submissions**

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- Compulsory process
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**3<sup>rd</sup> Party Submissions (Cont'd)**

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**Additional Comments:**

**Search Time:**

Attorney:  Hours  Minutes Other Professional:  Hours  Minutes

**I hereby certify that the foregoing was completed on:** Click here to enter a date.

Name:

Phone:

Title:

E-mail:

**From:** Todaro, Christine </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=CTODARO>  
**Sent:** Wednesday, March 13, 2013 5:21 PM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

---

**N** in the past 3 months

**NR** in the past 6 months

---

**From:** Todaro, Christine  
**Sent:** Wednesday, March 13, 2013 4:31 PM  
**To:** Vaca, Monica E.  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife

There are more than **NR** complaints in Sentinel involving Herbalife and its affiliates. Sentinel includes complaints entered in the past 5 years.

**NR** involving "Herbalife"

**N** involving "Herbal life"

**R** involving "Herba life"

**From:** Vaca, Monica E.  
**Sent:** Wednesday, March 13, 2013 11:16 AM  
**To:** Todaro, Christine  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

Hi Christine,  
Would please check into the number of complaints per Chuck's inquiry, or ask Christine P to do so? Many thanks.  
Monica

---

**From:** Harwood, Charles A.  
**Sent:** Wednesday, March 13, 2013 10:24 AM  
**To:** Greisman, Lois C.; Vaca, Monica E.  
**Cc:** Hipsley, Heather  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife

Lois/Monica,  
Can you have someone check on how many complaints we have received in the past 90 days or so concerning Herbalife?

Chuck

**Charles Harwood**  
Federal Trade Commission, Bureau of Consumer Protection  
202-326-2280 | [charwood@ftc.gov](mailto:charwood@ftc.gov)

---

**From:** Greisman, Lois C.  
**Sent:** Tuesday, March 12, 2013 4:04 PM  
**To:** Vaca, Monica E.; Todaro, Christine; Vander Nat, Peter J.; Ammerman, Janet; Hipsley, Heather; Harwood, Charles A.; Ippolito, Pauline M.  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

FYI

**From:** John Breyault [<mailto:johnb@nclnet.org>]  
**Sent:** Tuesday, March 12, 2013 4:01 PM  
**To:** Office of Public Affairs

**Cc:** Greisman, Lois C.; Harwood, Charles A.; Sally Greenberg

**Subject:** National Consumers League letter to Chairman Ramirez re: Herbalife

To whom it may concern:

Please find attached a letter from National Consumers League Executive Director Sally Greenberg to FTC Chairman Ramirez. The letter urges the FTC to open an investigation into allegations by Pershing Square Capital Management and others that the multi-level marketing company Herbalife is in fact a complex pyramid scheme.

In conjunction with this letter, NCL is releasing a public statement, which will be posted on our website at [www.nclnet.org](http://www.nclnet.org).

I would appreciate your assistance in forwarding this letter on to Chairman Ramirez and sending copies to Commissioners Brill, Ohlhausen and Wright.

Should you have any questions or concerns, please do not hesitate to contact me at your convenience.

Sincerely,

John Breyault

--

John Breyault

Vice President of Public Policy, Telecommunications & Fraud | National Consumers League

(202) 835-3323 ext. 819 | [johnb@nclnet.org](mailto:johnb@nclnet.org) | <http://www.nclnet.org>

Twitter: [http://twitter.com/ncl\\_tweets](http://twitter.com/ncl_tweets) | Facebook: <http://facebook.com/nationalconsumersleague>

**From:** Greisman, Lois C. </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=LGREISMAN>  
**Sent:** Tuesday, March 12, 2013 4:04 PM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>; Todaro, Christine <ctodaro@ftc.gov>; Vander Nat, Peter J. <PVANDERNAT@ftc.gov>; Ammerman, Janet <jammerman1@ftc.gov>; Hipsley, Heather <HHIPPSLEY@ftc.gov>; Harwood, Charles A. <charwood@ftc.gov>; Ippolito, Pauline M. <PIPPOLITO@ftc.gov>  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife  
**Attach:** NCL\_Ramirez\_Herbalife\_03122013.pdf

---

FYI

**From:** John Breyault [mailto:johnb@nclnet.org]  
**Sent:** Tuesday, March 12, 2013 4:01 PM  
**To:** Office of Public Affairs  
**Cc:** Greisman, Lois C.; Harwood, Charles A.; Sally Greenberg  
**Subject:** National Consumers League letter to Chairman Ramirez re: Herbalife

To whom it may concern:

Please find attached a letter from National Consumers League Executive Director Sally Greenberg to FTC Chairman Ramirez. The letter urges the FTC to open an investigation into allegations by Pershing Square Capital Management and others that the multi-level marketing company Herbalife is in fact a complex pyramid scheme.

In conjunction with this letter, NCL is releasing a public statement, which will be posted on our website at [www.nclnet.org](http://www.nclnet.org).

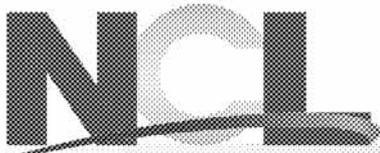
I would appreciate your assistance in forwarding this letter on to Chairman Ramirez and sending copies to Commissioners Brill, Ohlhausen and Wright.

Should you have any questions or concerns, please do not hesitate to contact me at your convenience.

Sincerely,

John Breyault

--  
John Breyault  
Vice President of Public Policy, Telecommunications & Fraud | National Consumers League  
(202) 835-3323 ext. 819 | [johnb@nclnet.org](mailto:johnb@nclnet.org) | <http://www.nclnet.org>  
Twitter: [http://twitter.com/ncl\\_tweets](http://twitter.com/ncl_tweets) | Facebook: <http://facebook.com/nationalconsumersleague>



March 12, 2013

The Honorable Edith Ramirez  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**Re: Petition for FTC Investigation of Recent Allegations Against  
Herbalife Ltd.**

Dear Chairman Ramirez:

On behalf of the National Consumers League<sup>1</sup> (NCL), I am writing to urge the Federal Trade Commission (FTC) to open an investigation into allegations by Pershing Square Capital Management, L.P. (“Pershing Square”) and others that the multi-level marketing company Herbalife Ltd. (“Herbalife”) is in fact a complex pyramid scheme. Specifically, in December 2012, after an eighteen-month investigation, Pershing Square published a report<sup>2</sup> alleging a range of potential violations of federal and state consumer protection and anti-pyramiding laws, including Section 5 of the FTC Act.<sup>3</sup>

Since the publication of the Pershing Square report, numerous charges and counter-charges have been publicly leveled against Pershing Square and Herbalife by supporters of both companies. Lost in the media frenzy has been one central concern: Are consumers being harmed?

Given these allegations and their implications for America’s consumers, NCL recently met separately with representatives of Pershing Square, the Direct Selling Association and Herbalife. Having heard the arguments presented on both sides of this issue, we believe that only the Federal Trade Commission has the resources and expertise to investigate these claims and determine whether Herbalife is, in fact, an illegal pyramid scheme rather than a legitimate multi-level marketing business.

---

<sup>1</sup> The National Consumers League, founded in 1899, is the nation’s pioneering consumer organization. Our non-profit mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. For more information, visit <http://www.nclnet.org>.

<sup>2</sup> Pershing Square Capital Management, L.P. “Who wants to be a Millionaire?” December 20, 2012. Online: <http://factsaboutheralife.com/wp-content/uploads/2013/01/Who-wants-to-be-a-Millionaire.pdf>.

<sup>3</sup> 15 U.S.C. § 45.

## Background on NCL's Anti-Pyramid Scheme Advocacy

The National Consumers League has partnered with the direct-selling industry to educate consumers about the threat from fraudulent pyramid schemes. In 2009, with a grant from the Direct Selling Education Foundation, NCL launched a consumer education campaign to help consumers spot the differences between legitimate multi-level marketing (MLM) plans and fraudulent pyramid schemes.<sup>4</sup>

As part of this campaign, NCL conducted a survey into consumer vulnerability to pyramid schemes. This survey revealed a significant lack of consumer awareness about pyramid schemes. Fully a third (33%) of consumers surveyed were unable to identify a pyramid scheme when it was described to them. Low-income consumers, as well as African-Americans and Hispanics, were found to be especially vulnerable to pyramid schemes masquerading as legitimate home-based business opportunities.<sup>5</sup>

## Pershing Square's Allegations and NCL's Pyramid Scheme "Red Flags"

In addition to surveying consumers, NCL also published a consumer guide, checklists and side-by-side comparisons to help consumers spot the warning signs of pyramid schemes posing as legitimate MLMs.<sup>6</sup> Pershing Square's research suggests that Herbalife's business practices may run afoul of many of the "red flags" of pyramid scheme activity in NCL's guide.

For example, NCL's anti-pyramiding checklist informs consumers that the central difference between a legitimate MLM business and a pyramid scheme is that an MLM succeeds largely by selling products and services, whereas a pyramid scheme makes profits primarily by recruiting new distributors.<sup>7</sup> Legitimate MLMs sell household goods or services that consumers typically use in everyday life, and price those products competitively with comparable products sold at retail. In addition, NCL has warned consumers that legitimate MLMs offer no promise of easy riches and do not use high-pressure tactics, whereas a pyramid scheme involves the promise of guaranteed profits with minimal work.

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<sup>4</sup> National Consumers League. "More bad economic news: Recession putting consumers at increased risk of being duped by pyramid schemes," Press release. February 26, 2009. Online: <http://nclnet.org/newsroom/press-releases/260-more-bad-economic-news-recession-putting-%20consumers-at-increased-risk-of-being-duped-by-pyramid-schemes>

<sup>5</sup> National Consumers League. "National Consumers League's 2009 Pyramid Scheme Survey: Key Findings," February 2009. Online: [http://nclnet.org/images/PDF/pyramid\\_survey\\_022009.pdf](http://nclnet.org/images/PDF/pyramid_survey_022009.pdf)

<sup>6</sup> See e.g. National Consumers League. "Pyramid Schemes: Don't Let One Collapse on You," February 26, 2009. Online: [http://www.nclnet.org/images/PDF/pyramidschemes\\_brochure.pdf](http://www.nclnet.org/images/PDF/pyramidschemes_brochure.pdf).

<sup>7</sup> National Consumers League. "MLM's and Pyramid Schemes: What the difference?" February 2009. Online: [http://fraud.org/pyramids/pyramid\\_mlm.htm](http://fraud.org/pyramids/pyramid_mlm.htm)

For its part, Herbalife has stated that is a global nutrition company with a strong balance sheet and millions of consumers in and out of its distribution network.<sup>8</sup> Specifically in response to Pershing Square's allegations, Herbalife has stated that:

- Its products are priced competitively with other supplements;<sup>9</sup>
- 92% of the retail customers of its products are not distributors;<sup>10</sup>
- It meets or exceeds the industry standard on buybacks and has minimal buyback restrictions;<sup>11</sup> and
- 80% of the top 100 earners in the company in 2011 earned more than their sponsors.<sup>12</sup>

However, Pershing Square's report alleges that Herbalife's business practices raise the very "red flags" that NCL's checklist would deem indicative of an illegal pyramid scheme, including:

- Overstating the amount of income distributors are likely to earn;
- Requiring distributors to recruit new members into the business opportunity in order to realize significant returns on investment;
- Failing to accurately disclose the true profits earned by the distributors at the very top of the business; and
- Making the "buyback" of unsold merchandise extremely difficult.<sup>13</sup>

As these conflicting statements from Pershing Square and Herbalife suggest, it is difficult for the typical consumer, and even for the National Consumers League – which has expertise in this area – to weigh these conflicting claims. We believe this necessitates an investigation of the kind that the FTC is well equipped to conduct. Indeed, the FTC is the federal agency with the greatest experience in investigating fraud and exposing pyramid schemes, as the Commission's recent enforcement action against Fortune Hi-Tech Marketing illustrates.<sup>14</sup>

We therefore ask that the FTC launch an investigation to determine whether Herbalife is a legitimate MLM, as the company claims, or a pyramid scheme, as its detractors claim. We would welcome the opportunity to speak with officials at the

---

<sup>8</sup> Herbalife. "Herbalife Investor Day Presentation." Pgs. 3, 5. January 10, 2013. Online: [http://files.shareholder.com/downloads/ABEA-48ZAI9/2277344498x0x627448/e3de3984-4dff-4ca3-90a1-a1c1cafecb4e/Herbalife Investor Day Presentation - 01.10.13.pdf](http://files.shareholder.com/downloads/ABEA-48ZAI9/2277344498x0x627448/e3de3984-4dff-4ca3-90a1-a1c1cafecb4e/Herbalife%20Investor%20Day%20Presentation%20-%2001.10.13.pdf)

<sup>9</sup> *Ibid.* Pg. 26

<sup>10</sup> *Ibid.* Pg. 42.

<sup>11</sup> *Ibid.* Pg. 100.

<sup>12</sup> *Ibid.* Pg. 62.

<sup>13</sup> Pershing Square Capital Management, L.P. "Executive Summary of Pershing Square Capital Management, L.P.'s Presentation of 'Who Wants to be a Millionaire?'" Pgs. 1-2. December 20, 2012. Online: <http://factsaboutheralife.com/wp-content/uploads/2012/12/Final-Exec-Summary-1.pdf>

<sup>14</sup> Federal Trade Commission. "FTC Action Leads Court to Halt Alleged Pyramid Scheme," Press Release. January 28, 2013. Online: <http://www.ftc.gov/opa/2013/01/fhtm.shtm>

Commission about this matter and our interest in getting at the truth on behalf of U.S. consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Sally Greenberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sally Greenberg  
Executive Director  
National Consumers League  
1701 K Street, NW  
Suite 1200  
Washington, DC 20006  
Tel: (202) 835-3323 x830

cc: The Honorable Julie Brill  
The Honorable Maureen K. Ohlhausen  
The Honorable Joshua D. Wright



Office of the Chairman

United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

March 14, 2013

Ms. Sally Greenberg  
Executive Director  
National Consumers League  
1701 K Street N.W.  
Suite 1200  
Washington, DC 20006

*Re: National Consumers League's Petition for FTC Investigation of Recent Allegations Against Herbalife Ltd.*

Dear Ms. Greenberg:

Thank you for your March 12, 2013 letter on behalf of your organization, the National Consumers League, regarding recent allegations that Herbalife Ltd. is a complex pyramid scheme.

As you know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair acts or practices, pursuant to the Federal Trade Commission Act, 15 U.S.C. §§ 41-58. In interpreting Section 5 of that statute, 15 U.S.C. § 45, the Commission has determined that a representation, omission, or practice is deceptive if (1) it is likely to mislead consumers acting reasonably under the circumstances; and (2) it is material; that is, likely to affect consumers' conduct or decisions with respect to the product at issue.

The FTC takes seriously the harm illegal pyramid schemes have on consumers and has used its authority under Section 5 of the FTC Act in appropriate cases. For example, the FTC has brought 15 cases alleging that purportedly legitimate multi-level marketing ("MLM") companies were in fact pyramid schemes in masquerade. Most recently, the FTC brought a case against Fortune Hi-Tech Marketing, Inc. and related entities. *See FTC v. Fortune Hi-Tech Marketing, Inc. et al.*, 13 CV 578 (N.D. Ill. Jan. 24, 2013). In its complaint, the FTC alleged, among other things, that the defendants operated an illegal pyramid scheme and falsely claimed consumers would earn significant income for selling various products and services. In reality, the complaint charged that nearly all consumers who signed up with the scheme lost more money than they ever made. And, to the extent consumers could make any income, it was mainly for recruiting other consumers.

In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. Letters from your organizations like yours provide valuable information that is frequently used to develop or support Commission enforcement initiatives.

I appreciate you alerting the Commission to this potential problem. Should you have any additional information on this matter, please contact Lois Greisman, the Associate Director for the Division of Marketing Practices in the FTC's Bureau of Consumer Protection.

Sincerely,

Edith Ramirez  
Chairman

**From:** Todaro, Christine </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=CTODARO>  
**Sent:** Wednesday, March 13, 2013 4:31 PM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife

---

There are more than NR complaints in Sentinel involving Herbalife and its affiliates. Sentinel includes complaints entered in the past 5 years.

NR involving "Herbalife"  
N involving "Herbal life"  
N involving "Herba life"

---

**From:** Vaca, Monica E.  
**Sent:** Wednesday, March 13, 2013 11:16 AM  
**To:** Todaro, Christine  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

Hi Christine,  
Would please check into the number of complaints per Chuck's inquiry, or ask Christine P to do so? Many thanks.  
Monica

---

**From:** Harwood, Charles A.  
**Sent:** Wednesday, March 13, 2013 10:24 AM  
**To:** Greisman, Lois C.; Vaca, Monica E.  
**Cc:** Hipsley, Heather  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife

Lois/Monica,  
Can you have someone check on how many complaints we have received in the past 90 days or so concerning Herbalife?

Chuck

**Charles Harwood**  
Federal Trade Commission, Bureau of Consumer Protection  
202-326-2280 | [charwood@ftc.gov](mailto:charwood@ftc.gov)

---

**From:** Greisman, Lois C.  
**Sent:** Tuesday, March 12, 2013 4:04 PM  
**To:** Vaca, Monica E.; Todaro, Christine; Vander Nat, Peter J.; Ammerman, Janet; Hipsley, Heather; Harwood, Charles A.; Ippolito, Pauline M.  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

FYI

**From:** John Breyault [<mailto:johnb@nclnet.org>]  
**Sent:** Tuesday, March 12, 2013 4:01 PM  
**To:** Office of Public Affairs  
**Cc:** Greisman, Lois C.; Harwood, Charles A.; Sally Greenberg  
**Subject:** National Consumers League letter to Chairman Ramirez re: Herbalife

To whom it may concern:

Please find attached a letter from National Consumers League Executive Director Sally Greenberg to FTC Chairman Ramirez. The letter urges the FTC to open an investigation into allegations by Pershing Square Capital Management and others that the multi-level marketing company Herbalife is in fact a complex pyramid scheme.

In conjunction with this letter, NCL is releasing a public statement, which will be posted on our website at [www.nclnet.org](http://www.nclnet.org).

I would appreciate your assistance in forwarding this letter on to Chairman Ramirez and sending copies to Commissioners Brill, Ohlhausen and Wright.

Should you have any questions or concerns, please do not hesitate to contact me at your convenience.

Sincerely,

John Breyault

--

John Breyault

Vice President of Public Policy, Telecommunications & Fraud | National Consumers League

(202) 835-3323 ext. 819 | [johnb@nclnet.org](mailto:johnb@nclnet.org) | <http://www.nclnet.org>

Twitter: [http://twitter.com/ncl\\_tweets](http://twitter.com/ncl_tweets) | Facebook: <http://facebook.com/nationalconsumersleague>

**From:** Vaca, Monica E. </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=MVACA>  
**Sent:** Wednesday, March 13, 2013 5:25 PM  
**To:** Todaro, Christine <ctodaro@ftc.gov>  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife

---

Are most of those Herbalife or [REDACTED]

---

**From:** Todaro, Christine  
**Sent:** Wednesday, March 13, 2013 5:21 PM  
**To:** Vaca, Monica E.  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

[REDACTED] in the past 3 months  
[REDACTED] in the past 6 months

---

**From:** Todaro, Christine  
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Chuck

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202-326-2280 | [charwood@ftc.gov](mailto:charwood@ftc.gov)

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**Sent:** Tuesday, March 12, 2013 4:01 PM

**To:** Office of Public Affairs

**Cc:** Greisman, Lois C.; Harwood, Charles A.; Sally Greenberg

**Subject:** National Consumers League letter to Chairman Ramirez re: Herbalife

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Sincerely,

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John Breyault

Vice President of Public Policy, Telecommunications & Fraud | National Consumers League

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Twitter: [http://twitter.com/ncl\\_tweets](http://twitter.com/ncl_tweets) | Facebook: <http://facebook.com/nationalconsumersleague>

**From:** Todaro, Christine </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=CTODARO>  
**Sent:** Wednesday, March 13, 2013 5:34 PM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife

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Those are complaints that mention Herbalife, either in the name or the comments section. There are [NR] complaints in the past 3 months that mention [NR] Herbalife and [NR]. There are an additional [NR] complaints in the past 3 months for [NR] which do not mention Herbalife.

---

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Twitter: [http://twitter.com/ncl\\_tweets](http://twitter.com/ncl_tweets) | Facebook: <http://facebook.com/nationalconsumersleague>



Office of the Chairman

United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

March 14, 2013

Ms. Sally Greenberg  
Executive Director  
National Consumers League  
1701 K Street N.W.  
Suite 1200  
Washington, DC 20006

*Re: National Consumers League's Petition for FTC Investigation of Recent Allegations Against Herbalife Ltd.*

Dear Ms. Greenberg:

Thank you for your March 12, 2013 letter on behalf of your organization, the National Consumers League, regarding recent allegations that Herbalife Ltd. is a complex pyramid scheme.

As you may know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair acts or practices, pursuant to the Federal Trade Commission Act, 15 U.S.C. §§ 41-58. In interpreting Section 5 of that statute, 15 U.S.C. § 45, the Commission has determined that a representation, omission, or practice is deceptive if (1) it is likely to mislead consumers acting reasonably under the circumstances; and (2) it is material; that is, likely to affect consumers' conduct or decisions with respect to the product at issue. In a statute that became effective in August 1994, Congress amended Section 5 of the FTC Act to provide that an act or practice is unfair if the injury to consumers it causes or is likely to cause (1) is substantial; (2) is not outweighed by countervailing benefits to consumers or to competition; and (3) is not reasonably avoidable by consumers themselves.

The FTC takes seriously concerns regarding the harmful effects illegal pyramid schemes have on consumers. In fact, the FTC has brought more than 20 cases against companies operating as deceptive pyramid schemes, including companies posing as legitimate multi-level marketing companies ("MLMs"). Most recently, the FTC brought a case against Fortune Hi-Tech Marketing, Inc. and related entities. *See FTC v. Fortune Hi-Tech Marketing, Inc. et al.*, 13 CV 578 (N.D. Ill. Jan. 24, 2013). In its complaint, the FTC alleged, among other things, that the defendants operated an illegal pyramid scheme and falsely claimed consumers would earn significant income for selling various products and services. In reality, nearly all consumers who signed up with the scheme lost more money than they ever made. And, to the extent consumers could make any income, it was mainly for recruiting other consumers.

In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. Letters

from your organizations like yours provide valuable information that is frequently used to develop or support Commission enforcement initiatives.

I appreciate you alerting the Commission to this potential problem. Please continue to contact the Commission whenever we may be of service.

Sincerely,

Edith Ramirez  
Chairman

**From:** Todaro, Christine </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=CTODARO>  
**Sent:** Wednesday, March 13, 2013 10:08 AM  
**To:** Vaca, Monica E. <MVACA@ftc.gov>  
**Subject:** RE: National Consumers League letter to Chairman Ramirez re: Herbalife  
**Attach:** Letter to NCL 3-13-13.docx

---

I attached the acknowledgement letter. Let me know if you have any comments.

---

**From:** Greisman, Lois C.  
**Sent:** Tuesday, March 12, 2013 4:04 PM  
**To:** Vaca, Monica E.; Todaro, Christine; Vander Nat, Peter J.; Ammerman, Janet; Hipsley, Heather; Harwood, Charles A.; Ippolito, Pauline M.  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife

FYI

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**Cc:** Greisman, Lois C.; Harwood, Charles A.; Sally Greenberg  
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Sincerely,

John Breyault

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Vice President of Public Policy, Telecommunications & Fraud | National Consumers League  
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Office of the Chairman

United States of America  
FEDERAL TRADE COMMISSION  
WASHINGTON, DC 20580

March 13, 2013

Ms. Sally Greenberg  
Executive Director  
National Consumers League  
1701 K Street N.W.  
Suite 1200  
Washington, DC 20006

*Re: National Consumers League's Petition for FTC Investigation of Recent Allegations Against Herbalife Ltd.*

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Sincerely,

Edith Ramirez  
Chairman

**From:** Mastrocinque, Nicholas </O=FTCEXCHANGE/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=NMASTROCINQUE>  
**Sent:** Wednesday, March 13, 2013 4:25 PM  
**To:** Todaro, Christine <ctodaro@ftc.gov>  
**Subject:**

---

herbalife "herbal life"

**Peterson, Mark D.**

---

**From:** Kingsland, Gail M.H. on behalf of Office of Public Affairs  
**Sent:** Tuesday, March 12, 2013 5:27 PM  
**To:** Pyos, Monica M.; Thompson, Kimberly M.; Delaney, Elizabeth A; Cook, Barbara A.; Davis, Anna; Dickie, Judith A.; Vedova, Holly L.; Kestenbaum, Janis  
**Subject:** FW: National Consumers League letter to Chairman Ramirez re: Herbalife  
**Attachments:** NCL\_Ramirez\_Herbalife\_03122013.pdf

Good afternoon,

The following correspondence was received in the Office of Public Affairs main email box this afternoon.

Gail

---

Gail M. Kingsland, Programs Specialist  
Federal Trade Commission  
Office of Public Affairs  
202-326-2178 desk 301-917-7205 cell  
Connect with the FTC  
[FTC.gov](http://FTC.gov) | [Facebook](#) | [@FTC](#)  
[@laFTC](#) | [Newsroom](#)

“The true mark of a good leader is their willingness to serve first.” Stephen E. Young

**From:** John Breyault [<mailto:johnb@nclnet.org>]  
**Sent:** Tuesday, March 12, 2013 4:01 PM  
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Twitter: [http://twitter.com/ncl\\_tweets](http://twitter.com/ncl_tweets) | Facebook: <http://facebook.com/nationalconsumersleague>



March 12, 2013

The Honorable Edith Ramirez  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**Re: Petition for FTC Investigation of Recent Allegations Against Herbalife Ltd.**

Dear Chairman Ramirez:

On behalf of the National Consumers League<sup>1</sup> (NCL), I am writing to urge the Federal Trade Commission (FTC) to open an investigation into allegations by Pershing Square Capital Management, L.P. (“Pershing Square”) and others that the multi-level marketing company Herbalife Ltd. (“Herbalife”) is in fact a complex pyramid scheme. Specifically, in December 2012, after an eighteen-month investigation, Pershing Square published a report<sup>2</sup> alleging a range of potential violations of federal and state consumer protection and anti-pyramiding laws, including Section 5 of the FTC Act.<sup>3</sup>

Since the publication of the Pershing Square report, numerous charges and counter-charges have been publicly leveled against Pershing Square and Herbalife by supporters of both companies. Lost in the media frenzy has been one central concern: Are consumers being harmed?

Given these allegations and their implications for America’s consumers, NCL recently met separately with representatives of Pershing Square, the Direct Selling Association and Herbalife. Having heard the arguments presented on both sides of this issue, we believe that only the Federal Trade Commission has the resources and expertise to investigate these claims and determine whether Herbalife is, in fact, an illegal pyramid scheme rather than a legitimate multi-level marketing business.

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<sup>1</sup> The National Consumers League, founded in 1899, is the nation’s pioneering consumer organization. Our non-profit mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. For more information, visit <http://www.nclnet.org>.

<sup>2</sup> Pershing Square Capital Management, L.P. “Who wants to be a Millionaire?” December 20, 2012. Online: <http://factsabouterherbalife.com/wp-content/uploads/2013/01/Who-wants-to-be-a-Millionaire.pdf>.

<sup>3</sup> 15 U.S.C. § 45.

## Background on NCL's Anti-Pyramid Scheme Advocacy

The National Consumers League has partnered with the direct-selling industry to educate consumers about the threat from fraudulent pyramid schemes. In 2009, with a grant from the Direct Selling Education Foundation, NCL launched a consumer education campaign to help consumers spot the differences between legitimate multi-level marketing (MLM) plans and fraudulent pyramid schemes.<sup>4</sup>

As part of this campaign, NCL conducted a survey into consumer vulnerability to pyramid schemes. This survey revealed a significant lack of consumer awareness about pyramid schemes. Fully a third (33%) of consumers surveyed were unable to identify a pyramid scheme when it was described to them. Low-income consumers, as well as African-Americans and Hispanics, were found to be especially vulnerable to pyramid schemes masquerading as legitimate home-based business opportunities.<sup>5</sup>

## Pershing Square's Allegations and NCL's Pyramid Scheme "Red Flags"

In addition to surveying consumers, NCL also published a consumer guide, checklists and side-by-side comparisons to help consumers spot the warning signs of pyramid schemes posing as legitimate MLMs.<sup>6</sup> Pershing Square's research suggests that Herbalife's business practices may run afoul of many of the "red flags" of pyramid scheme activity in NCL's guide.

For example, NCL's anti-pyramiding checklist informs consumers that the central difference between a legitimate MLM business and a pyramid scheme is that an MLM succeeds largely by selling products and services, whereas a pyramid scheme makes profits primarily by recruiting new distributors.<sup>7</sup> Legitimate MLMs sell household goods or services that consumers typically use in everyday life, and price those products competitively with comparable products sold at retail. In addition, NCL has warned consumers that legitimate MLMs offer no promise of easy riches and do not use high-pressure tactics, whereas a pyramid scheme involves the promise of guaranteed profits with minimal work.

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<sup>4</sup> National Consumers League. "More bad economic news: Recession putting consumers at increased risk of being duped by pyramid schemes," Press release. February 26, 2009. Online: <http://nclnet.org/newsroom/press-releases/260-more-bad-economic-news-recession-putting-%20consumers-at-increased-risk-of-being-duped-by-pyramid-schemes>

<sup>5</sup> National Consumers League. "National Consumers League's 2009 Pyramid Scheme Survey: Key Findings," February 2009. Online: [http://nclnet.org/images/PDF/pyramid\\_survey\\_022009.pdf](http://nclnet.org/images/PDF/pyramid_survey_022009.pdf)

<sup>6</sup> See e.g. National Consumers League. "Pyramid Schemes: Don't Let One Collapse on You,," February 26, 2009. Online: [http://www.nclnet.org/images/PDF/pyramidschemes\\_brochure.pdf](http://www.nclnet.org/images/PDF/pyramidschemes_brochure.pdf).

<sup>7</sup> National Consumers League. "MLM's and Pyramid Schemes: What the difference?" February 2009. Online: [http://fraud.org/pyramids/pyramid\\_mlm.htm](http://fraud.org/pyramids/pyramid_mlm.htm)

For its part, Herbalife has stated that is a global nutrition company with a strong balance sheet and millions of consumers in and out of its distribution network.<sup>8</sup> Specifically in response to Pershing Square's allegations, Herbalife has stated that:

- Its products are priced competitively with other supplements;<sup>9</sup>
- 92% of the retail customers of its products are not distributors;<sup>10</sup>
- It meets or exceeds the industry standard on buybacks and has minimal buyback restrictions;<sup>11</sup> and
- 80% of the top 100 earners in the company in 2011 earned more than their sponsors.<sup>12</sup>

However, Pershing Square's report alleges that Herbalife's business practices raise the very "red flags" that NCL's checklist would deem indicative of an illegal pyramid scheme, including:

- Overstating the amount of income distributors are likely to earn;
- Requiring distributors to recruit new members into the business opportunity in order to realize significant returns on investment;
- Failing to accurately disclose the true profits earned by the distributors at the very top of the business; and
- Making the "buyback" of unsold merchandise extremely difficult.<sup>13</sup>

As these conflicting statements from Pershing Square and Herbalife suggest, it is difficult for the typical consumer, and even for the National Consumers League – which has expertise in this area – to weigh these conflicting claims. We believe this necessitates an investigation of the kind that the FTC is well equipped to conduct. Indeed, the FTC is the federal agency with the greatest experience in investigating fraud and exposing pyramid schemes, as the Commission's recent enforcement action against Fortune Hi-Tech Marketing illustrates.<sup>14</sup>

We therefore ask that the FTC launch an investigation to determine whether Herbalife is a legitimate MLM, as the company claims, or a pyramid scheme, as its detractors claim. We would welcome the opportunity to speak with officials at the

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<sup>8</sup> Herbalife. "Herbalife Investor Day Presentation." Pgs. 3, 5. January 10, 2013. Online: [http://files.shareholder.com/downloads/ABEA-48ZAJ9/2277344498x0x627448/e3de3984-4dff-4ca3-90a1-a1c1cafecb4e/Herbalife\\_Investor\\_Day\\_Presentation\\_-\\_01.10.13.pdf](http://files.shareholder.com/downloads/ABEA-48ZAJ9/2277344498x0x627448/e3de3984-4dff-4ca3-90a1-a1c1cafecb4e/Herbalife_Investor_Day_Presentation_-_01.10.13.pdf)

<sup>9</sup> *Ibid.* Pg. 26.

<sup>10</sup> *Ibid.* Pg. 42.

<sup>11</sup> *Ibid.* Pg. 100.

<sup>12</sup> *Ibid.* Pg. 62.

<sup>13</sup> Pershing Square Capital Management, L.P. "Executive Summary of Pershing Square Capital Management, L.P.'s Presentation of 'Who Wants to be a Millionaire?'" Pgs. 1-2. December 20, 2012. Online: <http://factsabouth herbalife.com/wp-content/uploads/2012/12/Final-Exec-Summary-1.pdf>

<sup>14</sup> Federal Trade Commission. "FTC Action Leads Court to Halt Alleged Pyramid Scheme," Press Release. January 28, 2013. Online: <http://www.ftc.gov/opa/2013/01/fhtm.shtml>

Commission about this matter and our interest in getting at the truth on behalf of U.S. consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Sally Greenberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sally Greenberg  
Executive Director  
National Consumers League  
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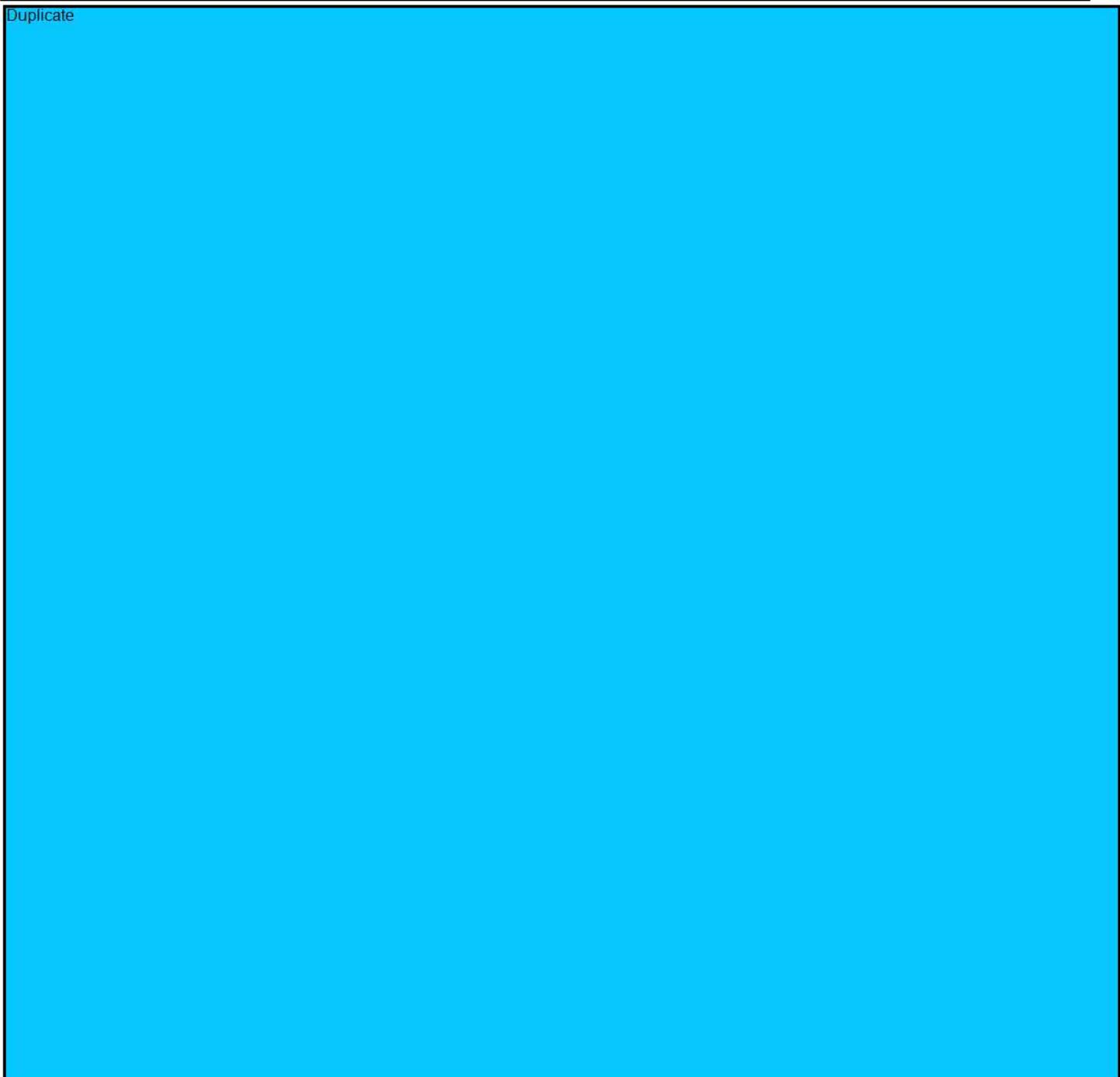
cc: The Honorable Julie Brill  
The Honorable Maureen K. Ohlhausen  
The Honorable Joshua D. Wright

**Peterson, Mark D.**

NR



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