



Welcome to QuixtarFacts.com, where Quixtar shares facts about the company, the business opportunity it supports, the role of training and support, and Independent Business Owners (IBOs) powered by Quixtar. *A few facts to get you started:*



- Quixtar was ranked #1 in online Health & Beauty sales by Business 2.0 in November 2000 and by Internet Retailer in June 2004.
- Quixtar was ranked #12 overall for online sales by Internet Retailer.
- IBOs powered by Quixtar generated \$3.1 billion in sales for Quixtar in its first four years, and another \$250 million for Quixtar's Partner Stores.
- IBOs have earned more than \$1 billion in bonuses and incentives from Quixtar since it launched in 1999.
- Quixtar provides a low-cost, low-risk opportunity to operate a business of your own.
- Quixtar provides safeguards to ensure a positive experience for consumers and IBOs, including money-back guarantees.

## AFFILIATIONS AND RATINGS

### BUSINESS RATINGS

#### Dun & Bradstreet

Dun & Bradstreet is, according to their website, the "leading provider of global business information, tools and insight" that has "enabled customers to Decide with Confidence for over 160 years."

Quixtar has been given a Dun & Bradstreet rating of 1R3 (Fair); the highest possible rating is a 1R2. However, as a privately held company, Quixtar defers financial statement-related information, which may affect the rating.

#### Hoover's, Inc.

Hoover's delivers comprehensive company, industry, and market intelligence that drives business growth. Their database of 12 million companies, with in-depth coverage of 40,000 of the world's top business enterprises, is at the core of their business tools and services that customers find vital to their business operations.

#### Better Business Bureau

The BBB provides reports on businesses and charities to help consumers and donors make informed decisions, helps resolve consumer complaints, and promotes ethics in business. Quixtar has received the Better Business Bureau's highest possible rating.

### INDUSTRY AFFILIATIONS

#### Direct Selling Association

More than 150 companies are members of the DSA, the national trade association of firms that manufacture and distribute goods and services sold directly to consumers.

#### Chamber of Commerce

Quixtar is a member of the Chamber of Commerce, the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region.

### RANKINGS

#### Internet Retailer Magazine

In its "Top 300 Guide," Internet Retailer ranks Quixtar first in the online Drug/Health & Beauty category based on sales, and 12th among all e-commerce sites.

#### Business 2.0

Quixtar has been a leader in online Health & Beauty for years. In the "Numbers" section of its December 2001 issue, Business 2.0 ranked Quixtar #1 in sales for the online Health & Beauty category, with 20.5% of the estimated \$1.45 billion market segment. Based on the analysis of Nielsen/NetRatings and Harris Interactive eCommercePulse, Quixtar was ranked ahead of Drugstore.com (12.2%), Merck-Medco.com (5.7%), Avon.com (4.5%), and MaryKay.com (4.1%).

## ARTICLES AND REVIEWS

Since its launch on Sept. 1, 1999, Quixtar has maintained a low profile with mainstream news media covering the more well-known e-commerce sites. After all, Quixtar doesn't advertise, instead channeling those dollars to Independent Business Owners who generate sales at Quixtar.com. Quixtar's sales successes eventually have landed it in rankings and articles documenting the emergence of e-commerce as a powerful new retailing channel. Quixtar's unique take on e-commerce has been the focus of a number of articles, including some of those listed below.



08.00.99

### **Business 2.0**

*Get Rich... Quixtar*

An analyst from Forrester Research believes Quixtar's business model is a natural for the Internet.

09.27.99

### **InformationWeek**

*Retail Turns to Clicks and Mortar*

Quixtar is among a new brand of retailers turning to the Web.

10.18.99

### **Industry Standard**

*Train, Motivate and Just Plain Hug*

Quixtar's approach to e-commerce will be to blend "high tech" and "high touch."

11.15.99

### **Standard**

*Join the Club*

Quixtar is one of the newest online merchants to offer an affiliate program with its Partner Stores.

9.1.00

### **STORES**

*Top 100 Internet Retailers*

(<https://www.stores.org/archives/sept00cover.asp>)

Quixtar is ranked seventh on the National Retail Federation's list of the top 100 Internet retailers based on sales.

01.01.01

### **"E-Commerce Report"**

*Top 30 E-Commerce Sites*

(<http://www.dad.be/library/pdf/Alexa.pdf>)

Alexa Research ranks Quixtar 19th overall for traffic among non-auction consumer retail sites, and 3rd among those classified as "general merchandise" sites. Quixtar also was ranked second only to eBay for repeat visitors.

11.07.01

### **Interactive Week**

Quixtar ranked #43 among all e-commerce companies – B2B and B2C – in the annual "Interactive 500" ranking. Among consumer retailers, only Amazon.com ranked higher.

11.13.01

### **Business 2.0**

*Not Down, Not Out*

Quixtar is ranked the number one online Health & Beauty retailer based on sales, with 20.5 percent of an estimated \$1.45 billion market segment.

07.22.02

### **New York Times**

*E-Commerce Report: The 25 top e-tailers*

Among surprises in ComScore's rankings of the top online retailers was Quixtar, which finished 6th, outperforming Sears.com, BarnesandNoble.com and other higher profile companies. Quixtar's success was attributed to its business model and IBOs.

09.00.03

### **Internet Retailer**

Quixtar is ranked fifth among online retailers based on the average usage days per visitor per month and third for the average minutes spent at the site per visitor per month.

06.07.04

### **Internet Retailer**

In the "Top 300 Guide," Quixtar is ranked first in the Drug/Health & Beauty category and 12th among all e-commerce sites based on sales.



QUIXTAR  
MILESTONES

DATE	BUSINESS MILESTONE
09.01.99	Quixtar officially launches Web-based business.
12.09.99	Quixtar reports \$100 million in sales its first 100 days.
08.31.00	At the end of its first year in business, Quixtar reports revenues of \$448 million generated by Quixtar-powered Independent Business Owners (IBOs), plus another \$70 million generated by IBOs at Quixtar Partner Stores. For their business-building efforts, IBOs earned \$143 million in bonuses and other incentives.
09.01.00	The National Retail Federation's <i>STORES</i> magazine ranks Quixtar 7 <sup>th</sup> among consumer e-commerce companies based on sales. Also, in a survey conducted for the Retail Council of Canada, Deloitte & Touche ranked Quixtar 1st for health and beauty in Canada and 2nd for overall ecommerce sales.
11.30.00	Quixtar reports its first \$5 million sales day.
01.01.01	Alexa Research's "E-Commerce Report" for the fourth quarter of 2000 ranked Quixtar 17th overall for traffic among non-auction consumer retailer sites, and 3rd among those classified as "general merchandise" sites. Also, Quixtar was second only to eBay for repeat visitors.
06.25.01	In a <i>Forbes</i> article, a Harris Interactive analyst said Quixtar is the top health and beauty site online with 22.2 percent of sales, more than double the percentage of its nearest online competitor.
08.31.01	As Quixtar ends its second full year, it also achieves its first \$6 million sales day.
10.17.01	For the fiscal year ended Aug. 31, 2001, IBOs powered by Quixtar generated revenues of \$816 million, including \$751 million at www.quixtar.com and \$65 million at Partner Stores. For their business building efforts, IBOs earned \$230 million in bonuses and other incentives.
11.07.01	Quixtar ranked #43 among all e-commerce companies – B2B and B2C – in <i>Inter@ctive Week's</i> annual "Interactive 500" ranking. Among consumer retailers, only Amazon.com ranked ahead of Quixtar.
11.13.01	In the 'Numbers' section of its December issue, <i>Business 2.0</i> ranked Quixtar #1 in sales for the online Health & Beauty category, with 20.5% of the estimated \$1.45 billion market segment. Based on the analysis of Nielsen//NetRatings and Harris Interactive eCommercePulse, Quixtar was ranked ahead of Drugstore.com (12.2%), Merck-Medco.com (5.7%), Avon.com (4.5%) and MaryKay.com (4.1%).
06.07.02	Doug DeVos is named President of Quixtar Inc. and, upon the retirement of his brother Dick on Aug. 31, 2002, will also become President of parent company Alticor Inc.
07.22.02	Quixtar is featured in a <i>New York Times</i> article about some of the surprises among comScore's rankings for top online retailers in May 2002. Quixtar ranked 6th on the list, outperforming top companies like Sears.com, QVC.com, JCPenney.com, BarnesandNoble.com and Spiegel.com. The article outlines Quixtar's sales success, attributing it to its business model and the efforts of Independent Business Owners.
07.31.02	Quixtar reports its first \$7 million sales day.
10.29.02	Quixtar Inc. announces fiscal 2002 retail sales of \$901 million, with IBOs generating another \$57 million in revenues for Quixtar's Partner Stores. For their business-building efforts, IBOs earned more than \$282 million in bonuses and other incentives.
03.31.03	Quixtar reports record sales of \$10 million, shattering previous record day (\$8 million reported on 10.31.02) by 27 percent.
09.01.03	Internet Retailer ranks Quixtar 5th among retailing e-commerce sites based on the average usage days per visitor per month and 3rd for the average minutes spent at the site per visitor per month (behind eBay and PeoplePC.com).
06.30.04	Independent Business Owners powered by Quixtar generated \$11.3 million in sales on June 30, once again setting a record for single-day sales. This newest achievement beat the previous record of \$11 million, set just three months earlier on March 31.
08.31.04	<p>Quixtar turned five on September 1, having ended its 2004 fiscal year with a bang. Independent Business Owners (IBO's) powered by Quixtar generated more than \$12 million in sales August 31, topping previous highs of more than \$11 million reported earlier in the year. Looking back on five years, we have a lot to celebrate:</p> <ul style="list-style-type: none"> <li>• the creation of a brand new business model, I-commerce</li> <li>• the achievements of IBO's who have earned well in excess of \$1 billion in bonuses and incentives</li> <li>• five consecutive years of sales growth</li> <li>• many exciting product launches, including the eSpring™ Water Purifier, iCook™ Cookware, XS™ Energy Drinks, the entire Sports Nutrition line, Tolsom™ Skin Care for men, Artistry® Time Defiance Intensive Repair Serum, and more!</li> </ul> <p>Each of Quixtar's five years in business has been better than the one before due to the amazing efforts of hard-working IBO's who continue to take this business to new heights. With record sales days and a record \$100 million sales month in March, it's no wonder that <i>Internet Retailer</i> ranked Quixtar 12th overall and number one in the Health &amp; Beauty category for online sales this past June. Quixtar's growth, of course, comes hand-in-hand with IBO growth. In fiscal 2004, Diamond qualification doubled with more than 30 new Diamonds. Quixtar also expects more than 1,000 new Platinums, up 50 percent from the year before.</p>

# RESEARCH GUIDE TO QUIXTAR

.com

**Quixtar shares facts about the company, the business opportunity it supports, the role of training and support, and Independent Business Owners (IBO's) powered by Quixtar.**

[www.quixtarfacts.com](http://www.quixtarfacts.com)

**21 Tough Questions asked most frequently about Quixtar**

[www.ibofacts.com/Answers.htm](http://www.ibofacts.com/Answers.htm)

**The word is out about Quixtar! Credibility from top notch people and companies.**

<http://www.thisbiznow.com/>

**The National Federation of Retailers "STORES" magazine reports the Russell Reynolds & Associates study ranking Quixtar 7th among top 20 E-tailers with the #1 repeat purchase index.**

[www.stores.org/archives/00top100int\\_1.asp](http://www.stores.org/archives/00top100int_1.asp)

**Harris Interactive (the Harris Poll) reports Quixtar overtaking Drugstore.com as the # 1 online retailer of health and beauty products which is one of the fastest growing industries in the world.**

[www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=39](http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=39)

**The BBB (Better Business Bureau) report on Quixtar.**

[www.grandrapids.bbb.org/](http://www.grandrapids.bbb.org/)

**>Reports on Local Companies > Search Our Service Area**

**Internet Retailer article #1**

[www.internetretailer.com/pressReleaseDetail.asp?id=3664](http://www.internetretailer.com/pressReleaseDetail.asp?id=3664)

**Internet Retailer article #2**

[www.internetretailer.com/pressReleaseDetail.asp?id=9291](http://www.internetretailer.com/pressReleaseDetail.asp?id=9291)

**Quixtar Statistics 1999 - 2004**

[www.quixtar.com/about/company/?pid=3283](http://www.quixtar.com/about/company/?pid=3283)

*This document can be emailed to you if you wish to click on the hyperlinks.*



# Western Michigan

## BBB of Western Michigan, Inc.

40 Pearl, N.W.  
Suite 354  
Grand Rapids, MI 49503  
(616) 774-8236

**QUIXTAR INC.**  
5101 Spaulding Plaza  
Ada, MI 49355  
[View Location Map](#)

**Original Business Start Date:** 9/1/1999  
**Principal:** Ken McDonald, Senior V.P./Managing Director  
**Local Phone Number:** (800) 253-6500  
**Fax Number:** (616) 787-4808  
**Membership Status:** YES  
**Date Joined BBB:** 11/24/1999  
**TOB Classification:** Multi-Level Selling Companies  
**Web Site URL(s):** <http://www.quixtar.com>

The information in this report has either been provided by the company, or has been compiled by the Bureau from other sources.

### BBB Membership

This company is a member of the Better Business Bureau. This means it supports the Bureau's services to the public and meets our membership standards.

### Program Participation

This company participates in BBBOnLine. This company has agreed to use special complaint handling procedures including mediation and arbitration if necessary to resolve disputes.

### Nature of Business

Quixtar Inc. is a Web-based e-commerce business launched September 1, 1999. Quixtar offers consumer shopping, membership benefits and business ownership opportunities on the Internet. Quixtar operates using a form of marketing called referral marketing or more commonly, direct selling. Independent Business Owners (IBOs) powered by Quixtar refer customers to [www.quixtar.com](http://www.quixtar.com) for products and services and earn income based on sales resulting from their referrals and on sales made by other IBOs they have registered. Each IBO's individual success depends upon his or her own efforts and the selling efforts of those whom they register.

Quixtar offers two additional levels of participation: Client and Member. Members are retail customers who register with Quixtar and pay an annual fee of \$19.95 to buy product at preferred pricing. Clients are retail customers who can shop the Quixtar Web site without a charge, but purchase products at full retail prices. All Members and Clients must register with a Quixtar IBO; if they do not know one, Quixtar can refer them to one in their area.

### Customer Experience

Based on BBB files, this company has a satisfactory record with the Bureau.

To have a Satisfactory Record with the Bureau, a company must be in business for at least 12 months, properly and promptly address matters referred to it by the Bureau, and be free from an unusual volume or pattern of complaints and law enforcement action involving its marketplace conduct. In addition, the Bureau must have a clear understanding of the company's business and no concerns about its industry.

When evaluating complaint information, please consider the company's size and volume of business. The number of complaints filed against the company may not be as important as the type of complaints and how the company handled them.

#### Closed Complaints

Number of complaints processed by the BBB in last 36 Months: 32  
Number of complaints processed by the BBB in last 12 months: 11

#### Complaints Concerned

Advertising Issues: 1  
Outcome of the complaint - Resolved: 1

#### Sales Issues: 7

Outcome of all complaints - Resolved: 5; Company made good faith effort to Resolve: 2

#### Delivery Issues: 4

Outcome of all complaints - Resolved: 4

#### Guarantee or Warranty Issues: 1

Outcome of the complaint - Resolved: 1

#### Refund or Exchange Issues: 4

Outcome of all complaints - Resolved: 4

#### Customer Service Issues: 10

Outcome of all complaints - Resolved: 8; Company made good faith effort to Resolve: 2

#### Credit or Billing Issues: 5

Outcome of all complaints - Resolved: 5

Report as of: 2/24/2004

### Additional Business Names

Customer Service Redemption.

### Additional Addresses

Post Office Box 2527, Grand Rapids, MI 49503-0616.

### Company Management

Quixtar Inc. is a member of the Alticor family of companies owned and operated by the DeVos and Van Andel families.

# QUIXTAR RESIDUAL INCOME VS. TRADITIONAL SAVINGS PLAN

Quixtar Residual Development				
	Steps	Bonus Bracket	Monthly Income	Annual Income
First Project <i>Four Steps to Platinum</i>	Step 1	3%	\$90	\$1,080
	Step 2	9%	\$192	\$2,304
	Step 3	18%	\$1,025	\$12,300
	Step 4	25%	\$2,677	\$32,124

Savings Plan			
Amount Saved	Income at 5% return	Amount Saved	Income at 2.5% return
\$25,000	\$1,250	\$50,000	\$1,250
\$50,000	\$2,500	\$100,000	\$2,500
\$250,000	\$12,500	\$500,000	\$12,500
\$650,000	\$32,500	\$1,300,000	\$32,500

Second Project	Q12	\$45,592
	Founders Emerald	\$95,493
	Founders Diamond	\$272,102
	Founders Executive Diamond	\$746,122

\$900,000	\$45,000	\$1,800,000	\$45,000
\$1,900,000	\$95,000	\$3,800,000	\$95,000
\$5,500,000	\$275,000	\$11,000,000	\$275,000
\$15,000,000	\$750,000	\$30,000,000	\$750,000



**Conclusion:** In order to create residual income, it is more reasonable to develop a solid business powered by Quixtar than it is to save the amount required in an interest bearing account.