

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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U.S. DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

TEAM OF DESTINY, INC.

Plaintiff,

Case No. 1:04CV0165

v.

Honorable Richard Alan Enslin

SCOTT A. LARSEN,

Defendant.

Thomas A. Kuiper (P47285)
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AMENDED COMPLAINT

Plaintiff Team of Destiny, Inc. ("TOD") states for its amended complaint against Defendant Scott A. Larsen as follows:

JURISDICTION AND VENUE

1. Plaintiff TOD is a Michigan business in good standing with its principal place of business at 8250 Embury Road, Grand Blanc, Michigan 48439.

2. Defendant Scott A. Larsen is an individual who is a resident of South Carolina and whose last known address was, upon information and belief, Robert Bosch GmbH Werk Ost (Plant HoW1 East) Berliner StraBe 135 Homburg, Saarland, Germany 66424.

3. This Court has subject matter jurisdiction of this action pursuant to 28 USC §§1331, 1338 and 18 USC §1343(4) because this action arises under the Federal law of the Copyright Act and the Wire and Electronic Communications and Interception of Oral Communications Act.

4. Defendant is subject to personal jurisdiction in this state because his wrongful activities have caused consequences to occur in Michigan, Defendant has intentionally directed his activities at this state and caused an effect to occur in this state, Defendant has placed several telephone calls to Plaintiff's counsel in this state, and Defendant has corresponded with Plaintiff's counsel in this state. Defendant has also, upon information and belief, filed complaints with the Michigan Attorney General and has solicited others to file complaints with the Michigan Attorney General and Michigan Better Business Bureau. Defendant has also solicited persons formerly affiliated with Plaintiff to contact him. In addition, upon information and belief, Defendant has placed numerous phone calls to and corresponded with representatives of Quixtar, Inc. in Ada, Michigan.

5. Venue is proper in this District pursuant to 28 USC §§1391, 1400 because Defendant has published and disseminated his website and internet message board in this District, has directed numerous e-mail correspondence and phone calls within this District, the effects of these activities have been felt in this District, a substantial part of the events giving rise to the claim occurred within this District, and Defendant may be found in this District.

GENERAL ALLEGATIONS

6. TOD is a successful Michigan business dedicated to the sale of consumer products through Quixtar, Inc. and offered through www.quixtar.com.

7. TOD also has three secondary businesses, which are education, events, and speaking.

8. The name "Team of Destiny," and the combination of its name and logo are registered trademarks and service marks (Exhibit A).

9. In order to assist the thousands of individuals affiliated with TOD, it maintains a website at www.teamofdestiny.com¹ (Exhibit B).

10. TOD's website has two distinct levels of accessibility and information—one for guests and one for its paying, affiliate members.

11. TOD's affiliate-only website contains business information, business tools and merchandise, and information unique to TOD and its affiliates that is not available to those outside of the TOD organization.

12. Since 2003, TOD's website has contained the following conspicuous warning on the bottom of each page of its website: **"Copyright 2003 Team of Destiny. All rights reserved. Unauthorized use and/or reproduction is strictly prohibited"** (Exhibit B).

13. TOD's website is a registered copyright with the US Copyright office (Registration; Exhibit C).

14. TOD's website contains TOD's trademark and service marks, as well as its copyrighted photographs, tapes, proprietary literary works, and business information and material used by TOD and its paying affiliates.

15. Defendant Scott Larsen maintains and operates, and has maintained and operated, numerous websites that are devoted solely to disparaging Quixtar and Independent Business Owners

¹Plaintiff will produce an entire printout of its website to Defendant as soon as Defendant agrees to a protective order. Based on Defendant's past conduct, any information that he obtained about Plaintiff, he distributed throughout the country and world via his websites. Plaintiff, therefore, wants to insure that producing its website information to Defendant will not result in Defendant or Defendant's acquaintances posting it on various websites.

like TOD².

16. Mr. Larsen has previously been sued by at least one other Quixtar Independent Business owner, Joe Land, based on Mr. Larsen's website that attacked Mr. Land and his business (U.S. District Court for the District of S.C., Charleston Div., Case No. 2.02-2161-12).

17. Mr. Larsen established a website specific to TOD, entitled "*Why Team of Destiny is an Illegal Pyramid*" (Exhibit D).

18. Mr. Larsen operated his website through a web host, 50 Megs, at the web address www.amquix.50megs.com/tod_illegal.html.

19. Mr. Larsen utilized search engine terms or used metatags with search engines such as Yahoo or Google so that an internet user who searched for information on TOD or Orrin Woodward, its President, would receive a search result page that displayed "*TOD An Illegal Business*" as the first search result. This search result directed the internet user to Defendant's website, "*Why Team of Destiny is an Illegal Pyramid*."

20. TOD has never been found or determined to be an illegal business.

21. TOD has never been found or determined to be an illegal pyramid in violation of Federal or state law.

22. Mr. Larsen has had direct access to Plaintiff's website.

23. Mr. Larsen's website contained numerous quotes, articles, pictures, logos, a chart,

² See, for example, Exhibits AA and BB. At Exhibit AA, Defendant posted "9/11" photographs of Quixtar's Ada, Michigan headquarters and the Amway Grand Plaza Hotel in Grand Rapids being bombed (Exhibit AA). Defendant also maintains an Amway/Quixtar IBO "Hall of Shame" website. Information contained therein appears flawed or misrepresented. For instance, Defendant includes Quixtar IBO Bill Britt in the "Hall of Shame" because he was "stung for \$5 million in Ponzi investment scheme," yet Mr. Britt was the victim of others, not the perpetrator of the illegal scheme (Exhibit BB).

audio clips, and information taken and copied from TOD's copyrighted website and tapes.

24. Mr. Larsen's website concluded by challenging plaintiff to sue him stating: "To the leaders of Team of Destiny: Instead of writing 'Dear Mommy' letters on your website, it might behoove you to find some good attorneys. You will need them very soon." (Exhibit CC at 4).

25. Mr. Larsen wrote a fictitious letter from plaintiff's president, Orrin Woodward, to his fictitious dad, P.T. Barnum, wherein he called Team of Destiny an illegal business and a sham, and referred to Orrin Woodward's wife, Laurie, as a pig. (Exhibit DD).

26. In November 2003, TOD requested that 50 Megs, Defendant's web host, remove Defendant's website because it violated TOD's copyright and trademark rights, it violated state law, and violated 50 Megs' Acceptable Use Policy.

27. In November 2003, 50 Megs removed Defendant's website "*Why Team of Destiny is an Illegal Pyramid*" from its web hosting services.

28. Within a matter of days, Defendant located a new web host and began operating his same website at www.amquix.info/tod_illegal.html.

29. Defendant publicized his new website location to other website operators with the request that the new site be passed on over the internet:

My site is back up under the URL "Amquix.info" instead of "amquix.50Megs.com..." Any help discussion board members could give in passing the new domain (www.amquix.info) onto websites linking to the old (www.amquix.50Megs.com) domain would be appreciated. The sooner the sites linked to the old domain update to the new domain, the sooner the Amquix site will retain its number two position in the Google and Yahoo search engines. I will be traveling a lot in the new few weeks and I will not have a lot of time to e-mail all the other sites who have links to the amquix.50Megs.com domain.

[Exhibit E]

30. Defendant provided information to other website operators, who linked his website "*Why Team of Destiny is an Illegal Pyramid*," with numerous other websites, including Quixtar Blog, MLM Whatever Blog, MLM Blog, MLM Know-How Forums, MLMSurvivor.com, Amway-Alticor-Quixtar sucks, and another of Defendant's websites, www.amquix.info/amway.html (Exhibit F).

31. Defendant's website at www.amquix.info/amway.html contains the link heading: "*Team of Destiny - an illegal pyramid? - see the Michigan AG's definition*" (*Id.*), which links directly to his website concerning Plaintiff.

32. Defendant has actively sought help through other websites in obtaining information concerning TOD in order to assemble a complaint with Michigan's Attorney General (Exhibits G, R).

33. On December 12, 2003, Defendant delivered an unsolicited correspondence to TOD's counsel concerning his website (Exhibit H).

34. In his correspondence, Defendant stated that he would recognize TOD's trademark rights, alter certain copyright protected information, and change the title of his website to "*Is Team of Destiny a Pyramid Scheme? Compare for Yourself*" (*Id.*).

35. On December 17, 2003 and December 18, 2003, Defendant placed two unsolicited phone calls to TOD's counsel and left two voice mails.

36. On December 19, 2003, TOD's counsel corresponded with Defendant to inform him that Defendant's minimal changes to his website did not satisfy the requirements of the law (Exhibit I).

37. On December 24, 2003, Defendant corresponded with TOD's counsel to state, among

other things:

It is well within my first amendment rights to express my opinion why I believe the TOD Quixtar business practices and the TOD BSM tools businesses to be pyramid schemes . . . I am no longer intimidated by threats of a suit as I know the law and know I would prevail. I will work with you and your client in any way possible to prevent misunderstanding, as I have above, but I will be exercising my free speech rights and keeping the pages active.

[Exhibit J]

38. On January 12, 2004, Defendant corresponded with TOD's counsel to state that he believed he had removed all material from his website that Plaintiff might consider to be a copyright violation (Exhibit K).
39. On January 14, 2004, TOD's counsel informed Defendant that his website "still violates copyright and other laws in numerous respects" (Exhibit L).
40. On December 23, 2003 Defendant attended a TOD meeting.
41. At this December 23, 2003 meeting, Defendant secretly taped the presentation, as well as his questions to and answers from TOD's speaker following the meeting.
42. Defendant was not invited to the December 23, 2003 meeting.
43. Defendant signed the sign-in list for the meeting by signing a different name than his own.
44. Defendant placed his secret audio recording of the December 23, 2003 meeting on his website (Exhibit M) with a link to a separate web page (Exhibit N).
45. Defendant also placed a link to the new web page on his website at www.amquix.info/amway.html.
46. Defendant had previously secretly recorded an open meeting presented by another Quixtar IBO, Joe Land.

47. Defendant published audio portions of his recording of a Joe Land meeting on his previous website concerning Mr. Land, prior to Mr. Land's lawsuit against Defendant and the resulting removal of that website (Exhibit O).

48. On January 19, 2004, Defendant corresponded with TOD's counsel to state that he would not remove any content from his websites and would not remove the surreptitiously recorded TOD meeting (Exhibit P).

49. On February 18, 2004, Defendant posted a request with Quixtar Blog seeking information from former or prospective TOD IBOs to use against TOD (Exhibit Y), and added this link to his websites (*Id.*).

50. Defendant has continued to add additional content to his websites concerning Plaintiff, including, but not necessarily limited to, posting TOD's attorneys letters to him on his website (Exhibit Z), additional material from Plaintiff's website, additional portions from Plaintiff's tapes, and additional material from the meeting Defendant recorded.

COUNT I - COPYRIGHT INFRINGEMENT (17 USC §101, et. seq.)

51. Plaintiff incorporates paragraphs 6 through 50 herein.

52. Plaintiff holds a copyright in its website that grants it the exclusive right to reproduce, publish, display, and distribute materials on the website at www.teamofdestiny.com

53. Plaintiff's website has and does contain a Notice of Copyright (Exhibits B, C).

54. Defendant has infringed on Plaintiff's copyright and, through his websites at www.amquix.50Megs.com/tod_illegal.html and www.amquix.info/tod_illegal.html, reproduced and distributed copies of Plaintiff's copyrighted materials, photographs, charts, tapes, and information in violation of Plaintiff's exclusive rights under the Copyright Act (Exhibits D, F, Q, R).

- A. Defendant's website "*Why Team of Destiny is an Illegal Pyramid*" violated Plaintiff's copyright rights in at least the following ways:
1. Defendant's website included a direct quote from Terry Brady taken from Plaintiff's website and an article by her (Exhibit D at 1-2);
 2. Defendant's website included nine separate in-line links to articles from TOD that Plaintiff published on its website (*Id.* at 2);
 3. Defendant's website included content from TOD's "Speaker Highlights" section of its website, including portions of a November 9, 2002 seminar contained in Plaintiff's website (*Id.* at 3);
 4. Defendant reprinted a direct quote from Plaintiff's website (*Id.*);
 5. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Orrin Woodward³ (*Id.*);
 6. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Orrin Woodward (*Id.* at 4);
 7. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Chris Brady (*Id.*);
 8. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Bill Lewis (*Id.*);
 9. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Matt Abraham (*Id.*);

³Plaintiff will produce to Defendant those audio tapes subject to this suit and which have been registered with the copyright office as part of its voluntary disclosures to Defendant pursuant to the Case Management Order which is yet to be entered in this action.

10. Defendant's website included a chart taken directly from Plaintiff's website, created by Plaintiff's employee, Rob Hallstrand, under the section of Plaintiff's website entitled, "How the Money Works," a fact which Defendant admitted, stating: "The image above comes [from] the Team of Destiny website" (*Id.* at 5);
 11. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Don Freeze (*Id.*);
 12. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Bill Lewis (*Id.*);
 13. Defendant included a portion of a copyrighted speech by Plaintiff's representative Orrin Woodward (*Id.*);
 14. Defendant included a portion of and an audio clip from a copyrighted speech by Plaintiff's representative Chris Brady (*Id.* at 6);
 15. Defendant included a list of individuals in the TOD line of sponsorship, which he took from the "Leadership Hall of Fame" section of Plaintiff's website (*Id.* at 6-7).
- B. Defendant's website "*Is Team of Destiny a Pyramid Scheme? Compare for Yourself*" violated Plaintiff's copyright rights in at least the following ways:
1. Defendant's website included the links to nine articles contained in Plaintiff's website (Exhibit M at 2);
 2. Defendant's website contains portions of and references to Plaintiff's copyrighted tapes (*Id.* at 3);

3. Defendant's website included a portion of a seminar by Plaintiff's representative, Bill Lewis, on November 9, 2002, which Defendant removed from the "Speaker Highlights" section of Plaintiff's website (*Id.* at 3).
4. Defendant's website included a direct quote, which Defendant admitted to be taken from Plaintiff's website (*Id.*);
5. Defendant's website included a portion of a copyrighted presentation by Plaintiff's representative Orrin Woodward (*Id.* at 5);
6. Defendant's website included a portion of a copyrighted presentation by Plaintiff's representative Orrin Woodward (*Id.*);
7. Defendant's website included a portion of a copyrighted presentation by Plaintiff's representative Orrin Woodward (*Id.*);
8. Defendant's website included a portion of a copyrighted presentation by Plaintiff's representative Chris Brady (*Id.*);
9. Defendant's website included a portion of a copyrighted presentation by Plaintiff's representative Bill Lewis (*Id.*);
10. Defendant's website included a portion of a copyrighted presentation by Plaintiff's representative Matt Abraham (*Id.*);
11. Defendant's website included a chart that, according to Defendant, showed Plaintiff's BSM business to be an illegal pyramid, which it does not, and which chart Defendant reprinted from Plaintiff's website (*Id.* at 6);

12. Defendant's website included portions from two presentations by Plaintiff's representative, Don Freeze (*Id.* at 8);
 13. Defendant's website reprinted quotes taken from Plaintiff's representatives Bill Lewis and Orrin Woodward;
 14. Defendant's website included a portion from a presentation by Plaintiff's representative, Chris Brady (*Id.*);
 15. Defendant's website included a list of individuals in the TOD line of sponsorship, which he took from the "Leadership Hall of Fame" section of Plaintiff's website (*Id.* at 8-10).
- C. Defendant's website at the time of filing this action at www.amquix.info/tod_illegal.html contained at least the violations set forth in sub-paragraph B. above, plus the additional copyright violations:
1. Defendant's website includes portions of nine separate articles from various leaders within the TOD organization, which articles Plaintiff published on its website (Exhibit W at 2);
 2. Defendant placed these nine articles on his website after agreeing to remove them from a prior version of his website;
 3. Defendant included in his website audio recordings of Plaintiff's representatives speaking on copyrighted tapes (*Id.* at 3);
 4. Defendant included in his website new audio recordings of Plaintiff's representatives speaking on behalf of Plaintiff (*Id.* at 5-6);
 5. Defendant's website included a chart taken from Plaintiff's website

(*Id.* at 6);

6. Defendant's website included seven new audio recordings of Plaintiff's representatives speaking on behalf of Plaintiff (*Id.* at 8);

7. Defendant's website included a list of individuals in the TOD line of sponsorship, which he took from the "Leadership Hall of Fame" section of Plaintiff's website (*Id.* at 9-11).

8. Defendant has added new audio recordings of Plaintiff's representatives speaking on behalf of Plaintiff (e.g., PPS - 28, 31).

D. Defendant continues to maintain and/or add material to his website in violation of Plaintiff's copyright rights (see Exhibit EE).

55. Defendant has reproduced and distributed copies of Plaintiff's copyrighted material, photographs, charts, tapes, and information through his website at www.amquix.info/amway.html by providing a direct link to his websites identified above under the heading: "*Team of Destiny - an Illegal Pyramid*" (Exhibit F).

56. Defendant has violated TOD's copyright rights and the Copyright Act through his website at www.amquix.info/quixtar_tod_complaint.html, wherein he asks readers to submit "your complaint online to the Michigan Attorney General. . ." and contains a direct link to his website related solely to Plaintiff (Exhibit R).

57. In March 2004, Defendant violated Plaintiff's copyright rights by posting verbatim one of Plaintiff's articles on his website at www.amquix.info/tod_round_1.html. (Exhibit FF).

58. Defendant accessed Plaintiff's copyrighted website, despite the fact that he is not an authorized or paying subscriber, removed an article written by Plaintiff and published on its website,

along with Plaintiff's trademarked name and logo, and posted it on his website (*Id.*).

59. Defendant did not alter Plaintiff's copyrighted article when reprinting it in his website, nor did he provide any comment or criticism concerning Plaintiff's copyrighted article (*Id.*).

60. Defendant admitted that he had accessed the article from Plaintiff's website in a March 28, 2004 e-mail and, upon information and belief, may have removed the article from Plaintiff's website and posted it on his website after being served with the summons and complaint in this action (*Id.* at 4).

61. Defendant has violated Plaintiff's copyright rights and the Copyright Act by linking his website concerning TOD with other websites critical of TOD and Quixtar (Exhibit S).

62. Defendant has unlawfully utilized Plaintiff's copyrighted tapes and reprinted portions on his websites, despite the copyright warning contained on such tapes (See, e.g., Exhibit T).

63. Defendant's intentional and willful violations of Plaintiff's copyright rights are not protected by a fair use defense under the Copyright Act.

64. Defendant's purpose, at least in part, is based on commercially harming Plaintiff and commercially benefitting a commercial competitor of Plaintiff's, Bo Short and Passport, in the MLM industry with whom Defendant has an alliance.

65. Defendant has posted links to Bo Short and Passport's websites on his websites critical of Plaintiff and Quixtar and has posted links on his websites directing the reader to articles by Bo Short/Passport that are critical of Plaintiff (e.g., Defendant's website regarding Plaintiff contains a link to "Bo Short's rebuttal to Orrin's complementary business"; Defendant's Quixtar Amway Business Analysis website links to "Resigned Diamond Bo Short, former Diamond.com's website"; see also Exhibit E, a Passport website that derides TOD and associates with Defendant;

See also Exhibit F).

66. Plaintiff has suffered and will continue to suffer damages and irreparable harm from Defendant's infringement of Plaintiff's copyright rights.

67. Plaintiff has sustained and will continue to sustain damages, including attorneys' fees and costs, as a result of Defendant's intentional and willful infringement of Plaintiff's copyright rights.

WHEREFORE, Plaintiff requests that this Court grant it the following relief:

- A. Preliminary and permanent injunctive relief restraining Defendant and all who act in conjunction with him from violating Plaintiff's copyright rights as described herein and in the exhibits attached to this complaint, including the immediate and permanent removal of Defendant's websites related to TOD pursuant to 17 USC §502;
- B. Statutory damages pursuant to 17 USC §504;
- C. Attorneys' fees and full costs pursuant to 17 USC §505; and
- D. Any other damages or relief that this Court determines is fair and equitable.

COUNT II - VIOLATION OF 18 USC §2511

68. TOD incorporates paragraphs 6 through 67 herein.

69. On December 23, 2003, Defendant attended an open meeting hosted by Plaintiff in Ft. Wayne, Indiana.

70. TOD did not know that Defendant attended its meeting.

71. The December 23, 2003 meeting was not open to the general public.

72. Defendant did not sign the sign-in list for the meeting using his own name; he,

instead, used a different name.

73. Upon information and belief, Defendant used the fake name, Scott Brown, when signing in to Plaintiff's open meeting on December 23, 2003.

74. TOD's agent and representative, Harvey Ostrander, spoke at the meeting on behalf of TOD.

75. Defendant intentionally recorded Mr. Ostrander's oral presentation on December 23, 2003.

76. TOD's agent, Harvey Ostrander, did not know that Defendant recorded his presentation and he did not believe or expect that anyone would record his oral presentation or the questions and answers posed to him informally after his presentation (Affidavit of H. Ostrander; Exhibit U).

77. TOD's agent, Harvey Ostrander, did not knowingly, impliedly, or constructively consent, in any way, to Defendant's taping of his words.

78. After Mr. Ostrander finished his presentation, Defendant recorded various questions he asked of Mr. Ostrander and Mr. Ostrander's responses.

79. Defendant also secretly recorded another of Plaintiff's agents speaking that night. (See Defendant's website "A Team of Destiny® Open Meeting" and audio link to "Listen to Ms. Peterson talk about the function." Exhibit N).

80. After the meeting, no one informed TOD that it appeared as though someone had been taping the meeting or questions to and answers from Harvey Ostrander or anyone else.

81. Within a matter of days, Defendant assembled a new website entitled, "*A Team of Destiny Open Meeting*" at www.amquix.info/tod_open.html (Exhibit N).

82. Defendant's four page website included narrative on Mr. Ostrander's presentation and six audio clip recordings from Defendant's secret recording of the meeting (*Id.*).

83. Defendant's website also included an audio clip of his recorded questions to Mr. Ostrander and Mr. Ostrander's answers to the questions as well as audio of Ms. Peterson (*Id.*).

84. Defendant linked his web page "*A Team of Destiny Open Meeting*" to his main web page (Exhibit M), and to at least one other of his websites (Exhibit X).

85. Defendant's website, www.amquix.info/tod_what_is_it.html, also contained disclosures of his taping of TOD's open meeting.

86. Upon information and belief, Defendant informed other websites about his recording and publication of TOD's meeting (See, e.g., Exhibit U; 1/15/04 entry).

87. Upon information and belief, Defendant also provided information to Quixtar Blog on how to tape record the conversation of others (*Id.*).

88. Defendant's recording and disclosures of TOD's December 23, 2003 meeting violates 18 USC §2511(1)(a), (b), (c), and (d).

89. Defendant did not act under color of law when he intercepted and disclosed Plaintiff's oral communication on December 23, 2003.

90. Defendant intercepted and disclosed Plaintiff's oral communication for the purpose of committing a tortious act toward Plaintiff, including, but not necessarily limited to, tortiously interfering with Plaintiff's contract or advantageous business relationship or expectancies, defaming Plaintiff, and/or placing Plaintiff in a false light.

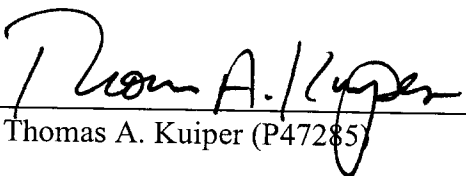
91. Plaintiff is entitled to relief against Defendant pursuant to 18 USC §2520.

WHEREFORE, Plaintiff requests that the Court grant it the following relief.

- A. Preliminary and permanent injunctive relief enjoining Defendant from further disclosing any portion of any recording regarding TOD to any person (§2520(b)(1));
- B. Money damages of the greater of \$100.00 per day for each day of violation or \$10,000.00 for the unlawful recording, and the same amount of damages for every disclosure, pursuant to §2520(b)(2), (c)(2)(B);
- C. Punitive damages pursuant to §2520(b)(2); and
- D. Attorneys' fees and all other litigation costs reasonably incurred by Plaintiff, pursuant to §2520(b)(3).

Dated: June 24, 2004

WHEELER UPHAM, P.C.
Attorneys for Plaintiff

By: 
Thomas A. Kuiper (P47285)

A



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Typed Drawing

Word Mark TEAM OF DESTINY

Goods and Services IC 041. US 100 101 107. G & S: CONDUCTING WORKSHOPS AND SEMINARS IN PERSONAL AWARENESS AND MOTIVATION FOR A GROUP OF AFFILIATED INDEPENDENT BUSINESS OWNERS WHO ARE INDIVIDUALLY INVOLVED IN ELECTRONIC COMMERCE DEVELOPMENT. FIRST USE: 19990401. FIRST USE IN COMMERCE: 19990501

IC 035. US 100 101 102. G & S: CONSULTATION SERVICES IN THE FIELD OF BUSINESS FOR A GROUP OF AFFILIATED INDEPENDENT BUSINESS OWNERS WHO ARE INDIVIDUALLY INVOLVED IN ELECTRONIC COMMERCE DEVELOPMENT. FIRST USE: 19990401. FIRST USE IN COMMERCE: 19990501

Mark Drawing Code (1) TYPED DRAWING

Serial Number 78025894

Filing Date September 14, 2000

Current Filing Basis 1A

Original Filing Basis 1B

Published for Opposition January 1, 2002

Registration Number 2765549

Registration Date September 16, 2003

Owner (REGISTRANT) Woodward, Orrin A. INDIVIDUAL UNITED STATES 9264 Warwick

Woods Grand Blanc MICHIGAN 48439

(REGISTRANT) Brady, Christopher J. INDIVIDUAL UNITED STATES 11735 Kings
Colony Grand Blanc MICHIGAN 48439

**Attorney of
Record** MATTHEW J. ABRAHAM
Type of Mark SERVICE MARK
Register PRINCIPAL
**Live/Dead
Indicator** LIVE

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Serial Number: 78025894

Registration Number: 2765549

Mark (words only): TEAM OF DESTINY

Standard Character claim: No

Current Status: Registered.

Date of Status: 2003-09-16

Filing Date: 2000-09-14

Transformed into a National Application: No

Registration Date: 2003-09-16

Register: Principal

Law Office Assigned: LAW OFFICE 112

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -Warehouse (Newington)

Date In Location: 2003-09-26

LAST APPLICANT(S)/OWNER(S) OF RECORD

1. Brady, Christopher J.

Address:

Brady, Christopher J.
11735 Kings Colony
Grand Blanc, MI 48439
United States

Legal Entity Type: Individual

Country of Citizenship: United States

2. Woodward, Orrin A.

Address:

Woodward, Orrin A.
9264 Warwick Woods

Grand Blanc, MI 48439
United States
Legal Entity Type: Individual
Country of Citizenship: United States

GOODS AND/OR SERVICES

CONSULTATION SERVICES IN THE FIELD OF BUSINESS FOR A GROUP OF AFFILIATED INDEPENDENT BUSINESS OWNERS WHO ARE INDIVIDUALLY INVOLVED IN ELECTRONIC COMMERCE DEVELOPMENT

International Class: 035
First Use Date: 1999-04-01
First Use in Commerce Date: 1999-05-01

Basis: 1(a)

CONDUCTING WORKSHOPS AND SEMINARS IN PERSONAL AWARENESS AND MOTIVATION FOR A GROUP OF AFFILIATED INDEPENDENT BUSINESS OWNERS WHO ARE INDIVIDUALLY INVOLVED IN ELECTRONIC COMMERCE DEVELOPMENT

International Class: 041
First Use Date: 1999-04-01
First Use in Commerce Date: 1999-05-01

Basis: 1(a)

ADDITIONAL INFORMATION

(NOT AVAILABLE)

MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

PROSECUTION HISTORY

- 2003-09-16 - Registered - Principal Register
 - 2003-07-21 - Allowed for Registration - Principal Register (SOU accepted)
 - 2003-06-04 - Case file assigned to examining attorney
 - 2003-06-03 - Statement of use processing complete
 - 2003-06-03 - Extension 1 granted
 - 2002-09-26 - Extension 1 filed
 - 2002-09-16 - Amendment to Use filed
- <http://tarr.uspto.gov/servlet/tarr?regser=serial&entry=78025894>

2003-03-25 - Reinstated
2003-01-28 - Petition to revive - Received
2003-01-28 - PAPER RECEIVED
2003-02-13 - Abandonment - No use statement filed
2002-03-26 - Notice of allowance - mailed
2002-01-01 - Published for opposition
2001-12-12 - Notice of publication
2001-10-19 - Approved for Pub - Principal Register (Initial exam)
2001-10-12 - EXAMINERS AMENDMENT E-MAILED
2001-08-31 - Communication received from applicant
2001-03-12 - Non-final action mailed
2001-03-01 - Case file assigned to examining attorney

CONTACT INFORMATION

Correspondent (Owner)

MATTHEW J. ABRAHAM (Attorney of record)

MATTHEW J. ABRAHAM
MATTHEW J. ABRAHAM, P.C.
115 W. SHIAWASSEE AVENUE
FENTON MI 48430

B

The Team of Destiny® (TOD) is a group of Independent Business Owners (IBOs) teamed together to have make money, and make a difference using the Quixtar® marketing plan and the Team of Destiny system

The graphic features a large, stylized white 'S' shape on a dark background. Inside the 'S' is the text 'TEAM OF Destiny® TOD'. To the left, there are two circular inset photos: the top one shows a family (a man, a woman, and a child) and the bottom one shows a man and a woman smiling. To the right of the 'S' are two buttons labeled 'Affiliate' and 'Guest'. At the bottom of the graphic, the text reads: 'Have fun, Make Money, Make a Difference' and 'Enjoy the Rewards of Life While Pursuing Worthwhile Goals and Aspirations'.

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For more information on Orrin Woodward, visit www.OrrinWoodward.com

For more information on Chris Brady, visit www.ChristopherJamesBrady.com

For more information on Tim Marks, visit www.TimMarks.com
Sister Organizations:

MarkerMan Productions - www.MarkerMan.com

Global Business Owners Alliance - www.GBOAlliance.com

AllianceNet Solutions - www.TeamANS.com

Interbiz USA - www.Interbizusa.com

Interbiz Canada - www.Interbiz.ca

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**Welcome to
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Team of Destiny® (TOD) Guests, please enter your PassCode:

PassCode:

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The [Team of Destiny® \(TOD\) Web site](#) is best viewed with the following browsers set at 800 x 600 pixels or greater, and High Color (16 bit) or above:
[Internet Explorer 5.5](#) and above
[Netscape 7.0](#) and above

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 For more information on [Chris Brady](#), please visit www.ChristopherJamesBrady.com
 For more information on [Terri Brady](#), please visit www.TerriBrady.com
 Other related links:
 Information on [Tim Marks](#) may be found at www.TimMarks.com
 Information on [Amy Marks](#) may be found at www.Amy-Marks.com



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The Team of Destiny® (TOD) is a group of Independent Business Owners (IBOs) teamed together to have fun, make money, and make a difference using the Quixtar® marketing plan and the Team of Destiny system

WARNING

There are several e-mail messages circulating which request you supply information, or claim your account has been disabled, and ask you to click on a link or open an attachment. **Please do not open these messages, but permanently delete them!** They contain viruses which could infect your system. The TOD **never** communicates in this "quasi-official" looking fashion. You should also be receiving a message from the Team of Destiny Webmaster alerting you of this issue.

Thank you!

Affiliates, please enter your Team of Destiny (TOD) User ID and Password :

Team of Destiny (TOD) User ID:

Team of Destiny (TOD) Password:

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- You must also provide a password to enter the Team of Destiny (TOD) Web site. **Please check upline if you do not know your password.**
- If you cannot log into Team of Destiny (TOD) Web site with the above information, please contact us via e-mail at Support@teamofdestiny.com

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For more information on Chris Brady, visit www.ChristopherJamesBrady.com
For more information on Tim Marks, visit www.TimMarks.com

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C

Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, United States Code, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Marybeth Peters

Register of Copyrights, United States of America

FORM TX

For a Nondramatic Literary Work
UNITED STATES COPYRIGHT OFFICE

TXu 1-130-887



EFFECTIVE DATE OF REGISTRATION

Dec 29 2003
Month Day Year

RATE CONTINUATION SHEET

1

TITLE OF THIS WORK ▼

Team of Destiny Website v 03 01

PREVIOUS OR ALTERNATIVE TITLES ▼

PUBLICATION AS A CONTRIBUTION If this work was published as a contribution to a periodical, serial, or collection, give information about the collective work in which the contribution appeared. Title of Collective Work ▼

If published in a periodical or serial give: Volume ▼ Number ▼ Issue Date ▼ On Pages ▼

2

a NAME OF AUTHOR ▼

Woodward International Networking Systems Incorporated

DATES OF BIRTH AND DEATH

Year Born ▼ Year Died ▼

Was this contribution to the work a work made for hire?
 Yes
 No

AUTHOR'S NATIONALITY OR DOMICILE

Name of Country
OR { Citizen of ▶
Domiciled in ▶

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK

Anonymous? Yes No
Pseudonymous? Yes No

If the answer to either of these questions is "Yes," see detailed instructions

NATURE OF AUTHORSHIP Briefly describe nature of material created by this author in which copyright is claimed. ▼

New text, new audio, visual materials and compilations of information and data.

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Under the law the author of a "work made for hire" is generally the employer, not the employee (see instructions). For any part of this work that was made for hire, check "Yes" in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part and leave the space for dates of birth and death blank.

b NAME OF AUTHOR ▼

Was this contribution to the work a work made for hire?
 Yes
 No

AUTHOR'S NATIONALITY OR DOMICILE

Name of Country
OR { Citizen of ▶
Domiciled in ▶

DATES OF BIRTH AND DEATH

Year Born ▼ Year Died ▼

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Name of Country
OR { Citizen of ▶
Domiciled in ▶

DATES OF BIRTH AND DEATH

Year Born ▼ Year Died ▼

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK

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3

YEAR IN WHICH CREATION OF THIS WORK WAS COMPLETED

~~2000~~ 2003 Year

DATE AND NATION OF FIRST PUBLICATION OF THIS PARTICULAR WORK

Complete this information ONLY if this work has been published. Month ▶ Day ▶ Year ▶

4

COPYRIGHT CLAIMANT(S) Name and address must be given even if the claimant is the same as the author given in space 2 ▼

Woodward International Networking Systems, Incorporated, d/b/a Team of Destiny PO Box 1109 Grand Blanc MI 48439

TRANSFER If the claimant(s) named here in space 4 is (are) different from the author(s) named in space 2, give a brief statement of how the claimant(s) obtained ownership of the copyright. ▼

APPLICATION RECEIVED

DEC 29 2003

ONE DEPOSIT RECEIVED

DEC 29 2003

TWO DEPOSITS RECEIVED

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See instructions before completing this space

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MORE ON BACK ▶ Complete all applicable spaces (numbers 6-9) on the reverse side of the page. See detailed instructions. Sign the form at line 8.

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Page 1 of 2 Pages

*Amended by C O per email of 1-20-04 from
Thomas Kuiper See correspondence file

EXAMINED BY <i>[Signature]</i>	FORM TX
CHECKED BY <i>[Signature]</i>	
<input checked="" type="checkbox"/> CORRESPONDENCE	FOR COPYRIGHT OFFICE USE ONLY
Yes	

DO NOT WRITE ABOVE THIS LINE IF YOU NEED MORE SPACE USE A SEPARATE CONTINUATION SHEET

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Yes No If your answer is "Yes" why is another registration being sought? (Check appropriate box) ▾

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b. This is the first application submitted by this author as copyright claimant

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If your answer is Yes give Previous Registration Number ▶

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5

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Some material used with permission

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Website containing audio visual materials and compilations of information and data

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a 7

CORRESPONDENCE Give name and address to which correspondence about this application should be sent. Name/Address/Apt/City/State/ZIP ▾

b

Thomas A Kuiper Wheeler Upham PC
40 Pearl Street NW Suite 200
Grand Rapids MI 49503

Area code and daytime telephone number ▶ 616-459 7100

Fax number ▶ 616-459 6366

Email ▶ kuiper@wheelerupham.com

CERTIFICATION* I, the undersigned, hereby certify that I am the

Check only one ▶

- author
- other copyright claimant
- owner of exclusive right(s)
- authorized agent of Woodward International Networking Systems Inc

of the work identified in this application and that the statements made by me in this application are correct to the best of my knowledge

Name of author or other copyright claimant, or owner of exclusive right(s) Δ

8

Typed or printed name and date ▾ If this application gives a date of publication in space 3 do not sign and submit it before that date

Thomas A Kuiper

Date ▶ 12/23/03

Handwritten signature (X) ▾

X *Thomas A. Kuiper*

Certificate will be mailed in window envelope to this address

Name ▾	Thomas A Kuiper Wheeler Upham PC
Number/Street/Apt ▾	40 Pearl St NW Suite 200
City/State/ZIP ▾	Grand Rapids MI 49503

Complete all necessary spaces Sign your application in space 9

9

1. Application form
2. Nonrefundable filing fee in check or money order payable to Register of Copyrights
3. Deposit material

Library of Congress
Copyright Office
101 Independence Avenue S.E.
Washington D.C. 20540-8000

Fees are subject to change. For current fees, check the Copyright Office website at www.copyright.gov or call (202) 707-5900

17 U.S.C. § 506(e): Any person who knowingly makes a false representation of a material fact in the application for copyright registration provided for by section 409 or in any written statement filed in connection with the application shall be fined not more than \$2,000

D



Why Team of Destiny is an Illegal Pyramid

The Michigan Attorney General's web site has a page describing the characteristics of illegal pyramid schemes. Read their page and see how closely the "Team of Destiny" meets each characteristic. Here is [link to file a complaint](#) with the Michigan Attorney General if you think you were conned. Addresses the complaint are at the bottom. Most AG's will not take action against unless there are complaints make your voice heard if you feel you were part of an illegal pyramid scheme. All text in "***red italics***" from the Michigan Attorney General's pages.

"Multi-level" or "network" marketing is a form of business that uses independent representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits."

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."

Retailing goods and services to non-participants is the least stressed item of the Team of Destiny. How having significant sales to non-participants of the compensation scheme is one major factor separating legitimate MLM from an illegal pyramid. Court opinions state that at least 70% of sales should be for those not involved in the compensation program. From the following exhibits one can see that the reason IBOs should buy the Quixtar products is so that they can participate in the compensation scheme. TOD's main focus is to sell only to "*participants*" in the compensation plan, which according to Michigan Attorney General, the 1979 Amway FTC opinion, Amway Co-founder Rich DeVos, and other court precedents is an illegal practice. The following evidence of this theme comes from the Team of Destiny web site and tapes.

It's About Buying from Yourself

"We need to purchase products from ourselves, (technical term: "generate PV") because the best advertisement that we believe that our business works! How can we show a picture labeling how much money comes out of the distribution chain and back into the pocket of IBO's if we are not even buying from our distribution chain?!"

"You can't wait for the fire to provide heat before you'll give it some wood. It's about buying from yourself. Be thankful it's stuff you already use! I know, I know, you like coupons. Do you


NO! Do you buy a drill because you want a drill? No! You buy a drill because you want a hole! With the same reasoning, you use coupons because you like your money left after purchase - the same way you will like the money left in your pocket when you buy product from yourself, using your own IBO number, and generating a team doing the same".

"Amen! I've seen the light! Happy buying from yourself!"

Terri Brady, **Team of Destiny Founders Diamond IBO**, Grand Blanc, Michigan

Here are more examples of generating commissions from the "participants" from the Team of Destiny.

[Become a Prosumer!!!!] [How We Generate PV] [The Why of Generating Point Value] [PV: The Bottom Line] [Are these products cheaper than what I pay now?] [I Would Buy On-line No Matter What] [What's in Your Bathroom?] [Buying From Yourself - What a concept!] [Generating Point Value]

Amway Co-founder  Rich DeVos freely admits in his March 1983 Directly Speaking Tape that a "wholesaling only" business is illegal:

*"I guess if I'd been told all these years you don't have to sell the product, all you have to do is wholesale to people, then I guess maybe I wouldn't pay any attention to pricing, either. But that's an illegal business. And those of you that preach it and foster it and talk about it **are operating illegally**. I don't know, often I have to tell you that. I don't know how long I have to keep insisting that you talk upon people retailing the product and gaining customers and servicing them faithfully, only to have some of you throw it up in the air and say, "That's not our way. We don't teach that method." I got to tell you, you're running the wrong method. You see, once you'd accept the fact that you must sell the product at retail, you have an honest business, then you suddenly are very concerned about the pricing of the product."*

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from recruiting other people to market the program."

TOD sells audiocassettes to train their IBOs. Additional evidence is presented in the following exhibits showing the wide spread teaching that the business sells only to its participants and very little to non-participants

1. From the tape, PPS-41, Diamond IBO Tim Marks makes repeated remarks about the importance of "buying from yourself".
2. From the tape, PPS-34, Sapphire IBO Jeff Granger, warns IBOs to not let it slip out in the content that it is a "huge buying club", but to focus on getting people to the plan showing.

There are numerous examples from their tapes. The list could go on and on.

"Some companies call themselves multi-level marketing when they are really operating pyramid schemes that violate Michigan's Pyramid Promotion Act."

"Be skeptical of plans that claim you will make money through continued growth of your business."

"downline" -- the commissions on sales made by new distributors you recruit -- rather than through your own sales of products."

1. From a TOD seminar 11/09/2002:
"Focusing on PV will not work. You must focus on building numbers"
TOD Emerald IBO, Bill Lewis (PV = Point Value, obtained by product sales)
2. From the TOD web Site:
"Team goals are very important because this is a business of "building numbers" of people attending the events."

"Avoid any program that focuses more on recruitment of new people rather than the sale of a product or service to an end-user consumer. If the opportunity for income is primarily derived by recruiting more participants or salespersons rather than by selling a product the plan probably is illegal. Several courts interpret greater pressure on members to sponsor new recruits than to market company merchandise as evidence of an illegal pyramid."

Sometimes, new "distributors" are persuaded to purchase inventory or overpriced products/services when they sign up.

Sapphire IBO Don Freeze teaches on the **TOD tape PPS-18** that the Quixtar Double-X vitamin is cheaper than the Centrum brand on a cost-per-use basis. **Double-X** costs \$48.15 for 31 tablets or **\$1.55 each**. The multi-vitamin **Centrum** costs 6.3 cents at Wal-Mart. The Quixtar Double-X vitamins are 24 times more expensive than the Centrum. About \$22 per box, or \$0.72 per tablet goes to the pyramided bonus pool. Quixtar also sells a Multi-vitamin "**Nutrilite**" similar to Centrum, which cost 15 cents each. This is still over twice the price of Centrum. Almost all of the price difference goes to fund the pyramid bonus pool.

Beware when the products or services are simply vehicles for recruitment. The products may be gimmicks and/or overpriced, but even high quality products may serve as a cover for recruitment activities.

The high cost of the products is a common objection to the business. Founder's Diamond **Orrin Woodward** on **PPS-25 "Handling Objections"** says that one could treat the price premiums **as an investment** that will be paid off, after they show the plan and recruit some other people. The tape TOD- "Follow Through" teaches another method to handle the ever-present "high prices" objection.

Be cautious about specific income or earnings claims. Many programs boast about their incredibly high earnings of a few top performers ("thousands per week" or a "six figure income"). The reality is that most of the people recruited into the organization are not making anywhere near those amounts and most actually lose money.

1. Founder's Diamonds **Orrin Woodward** on **TOD-25** builds the dream, and asks what you would "if you could make \$10,000/month from this business".
2. Sapphire **Don Freeze** on **PPS-42** states:
"Wealthy is defined as making over a million bucks a year. Who is up for that? Ok good. You see

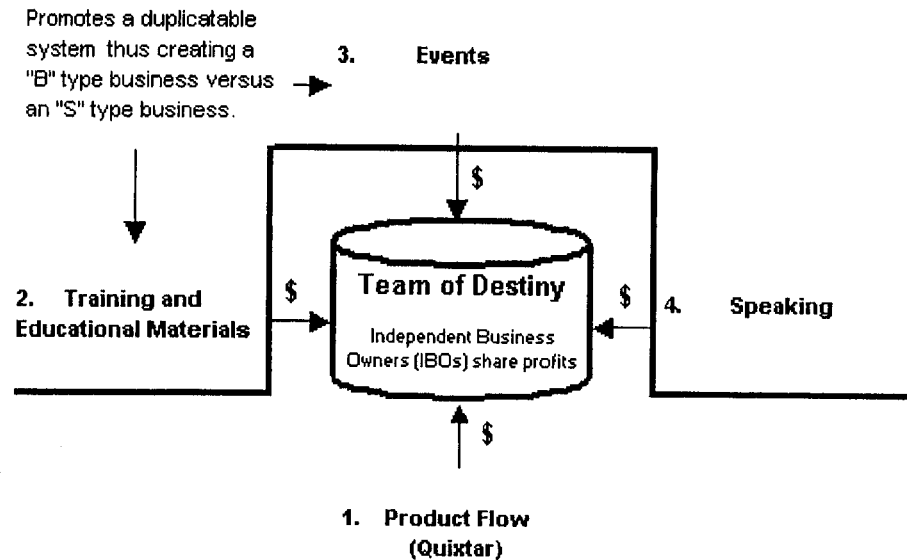
Orrin does, Chris does, and Mark is on his way to doing it... "

3. Founder's Diamond **Orrin Woodward** on **PPS-20** states:
"When we bring Chris and Terry Brady there will be four people ..that are multi-millionaires. Wh is the last time you sent a weekend with four multi-millionaires for \$100?"
4. Diamond **Chris Brady** on **PPS-39** states:
 - "How much money does Orrin really make? I know for sure it's ..LOTS".**
 - " Orrin has a seemingly endless supply of money and free time "**
 - " I've made \$4,000 for each plan I've shown."**
 - "Buy from your self and you'll be a millionaire"**
5. Sapphire IBO **Bill Lewis** on **PPS-36** states:
"You're offering them a chance to be a millionaire".
6. Sapphire IBO **Matt Abraham**, on **PPS-38** states:
"... Tim Marks ...25 months to qualification of millionaire status (ie Diamond)."

Maybe Mr. Brady and Mr. Woodward would care to show *"the fruit on their tree"* and publish th Quixtar 1099's like Dexter used to make copies of his bonus checks. They say they make millions fr Quixtar but Quixtar says the average Founder's Diamond makes \$227,400/year; 75% less than million/year.

"Beware when presented with "testimonies" from other distributors. These "success" stories rarely reflect reality."

Chris Brady, and Orrin Woodward are Quixtar "Founder's Diamonds. According to **2001 Quixtar dat** the average IBO at this level grossed \$227,400 from Quixtar, not the millions implied. It would be easy Quixtar to confirm if, in all of Mr. Woodward's 3 year Diamond career, he has even made a sum total of \$1 million from the business. Mr. Woodward might however make that when the profits from the Team Destiny illegal BSM pyramid are included.



The image above comes from the Team of Destiny web site and shows the additional sources of income IBOs can eventually have from the lucrative BSM's business: tapes, books, seminars, and speaker's fees. Participation in the profits from the tools business is based upon one's success in building a Quixtar organization, and convincing IBOs to consume these items. These items have no customers outside of IBOs or prospects. The BSM profit sharing plan creates an economic incentive and a conflict of interest for IBOs to recommend the use of BSMs to their downline IBOs for the sheer sake of generating commissions without regard for the economic consequence to their downline IBO's personal profitability. This creates an inherently fraudulent scheme.

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."

"Pyramid promoters are masters of group psychology. Recruitment meetings create a frenzied, enthusiastic atmosphere where group pressure and promises of a large sum of money play upon people's greed and fear of missing a good deal."

Orrin Woodward at Quixtar Live

"Promoters also openly discourage thoughtful consideration and questioning of the scheme."

Don Freeze on PPS-9 You must submit to the system


At recruitment meetings you might hear phrases like "this is a ground floor opportunity which will change your life", "opportunities don't go away, they go to other people", and "if you act now and work hard for three to five years, you can retire and live off of the residual income."

Bill Lewis on PPS-36 says one can make \$120,000/year for life

Founder's Diamond Orrin Woodward on PPS-25 states:

"by working the business 3-4 hours a night for 5-6 days a week, for two years and after two years you will retire with triple your salary with a growth rate of 25%-50% every quarter"

"Another warning sign is a confusing compensation plan."


Diamond Chris Brady on PPS-39 "Every year it gets bigger..  we don't even know what we make ..What do you make Chris? I have no idea.....I don't understand it".

Here is the link to file a complaint with the Michigan Attorney General. You will need the information below.

Team of Destiny Inc. registered in Michigan Num: 30132A
WOODWARD INTERNATIONAL NETWORKING SYSTEMS,
INCORPORATED
Agent: ORRIN A WOODWARD
105 E SECOND ST STE 1
DAVISON MI 48423

Quixtar Corporation
5101 Spaulding Plaza
Grand Rapids, MI 49355
616-787-7800

2903 Hits

Back to the home page 

TOD boasts a membership of 30,000 IBOs yet they recognize about 68 platinum distributorships on their web site. Their ratio of IBOs to platinum distributors must be one of the lowest in the business at 1 in 441 versus the 2001 Quixtar average of 1 in 235. If TOD just maintained the Quixtar average (.4242%) they should have over 127 Platimum IBOs for a membership of 30,000 IBOs.

Help me put together the TOD line of sponsorship.

IBO	Upline Platinum
Chris and Terri Brady	Orrin Woodward
Tim and Amy Marks	Bill Lewis
Matt and Cheryl Abraham	Orrin Woodward
Mike and Lisa Barrett	
Kirk and Cassie Birtles	
Eric Blomdahl	
Joen and Beth Ann Bodtker	
Dwayne and Janet Boyd	
Dean and Tracie Clouse	
Ron and Sara Day	
Shaun and Lana Denman	
Bob and Mary Dickie	
Mike and Carol Foos	
Don and Chris Freeze	Orrin Woodward
Kevin and Caroline Grabowski	
Jeff and Barb Granger	
George and Jill Guzzardo	
Mark and Rita Haas	
James Halter	
Josh and Courtney Hrinik	

Bob and Deb Hemmila	
Doug Huber	
Mark and Anna Huber	Chris and Terri Brady
John and Marirose Ilkka	
Mike and Nancy Jones	
Steve and Corrie Jones	
Mike Kassem	
Wayne and Leanna Kircher	
Larry Kirkley	
Kyle and Serena Langston	
Bill and Jackie Lewis	Mark and Anna Huber
Jason and Barb MacSuga	
Dan and Corrina Madar	
Basam and Carrie Malik	
Jim and Dolores Martin	
John and Diana Martinez	
Dave and Tracy McDade	
Joe and Jane McGuire	
Mike and Camille McGuire	
John and Melanie Morgan	
Steve and Beth Morgan	
John and Lynn Mossner	
Dan and Vicki Newbauer	
Paul and Lois Nobles	
Renee Oettinger	
Nik and Sham Palomaki	
Chris Park	
Nate and Jennifer Patmos	
Mark and Jenn Paul	
Shawn and Shari Pillsbury	
Colby and Kim Potts	
Aron and Mary Radosa	
Greg Rau	Orrin Woodward
Michelle Rauschenbach	
Rick and Amy Reed	
Joe and Donna Rohde	
Scott and Missy Russell	
Pat and Lisa Semple	
Chris and Heidi Smith	
Holger Spiewak	
Doug and Sheri Stroh	
Jeff and Rebeka Taylor	
Larry and Marsie VanBuskirk	
Dan Whiting	
Eric and Brandi Wilson	
Wendy Yurgo	
Ed and Lynette Zentner	
Matt and Sarah Zimmermann	

E

MLMBlog

Thoughts and Opinions on Network Marketing



CATEGORIES

Bo Short - Passport

BWW - Britt World Wide

Current Affairs

Evaluating MLM

Network Marketing - MLM

Other Thoughts

Quixtar

Quixtar - Dateline NBC

TOD - Team of Destiny

Weblogs

WWDB - World Wide Group

MY LINKS

Tribble.org

Passport Independent

Main | December 2003 »

November 29, 2003

My Stance on MLM/Network Marketing

As you read the posts on this Blog you might come to the conclusion that I am anti-MLM/Network Marketing. However, I would consider myself more along the lines of anti-status-quo-mlm.

I believe in some basic concepts behind Network Marketing:

1. The opportunity to own and operate your own business with very little start up costs.
2. The opportunity to help others start their own business.
3. The opportunity to build a business in your spare time outside of your regular job or traditional business.

Sadly, I don't see many MLM companies on the market today that believe in the same basic concepts. Companies and systems within companies may pay the concepts lip service, but for the most part the individual associate is left to the vultures.

Associate

Contact Me

**D I A M O N D
C O M M E N T S**

Bo Short Discussion

Bo Short Comments:

**1. The Diamond
Hiarchy**

2. The System

3. System Income

L I N K S

quixtarBLOG

quixtarBLOG Forum

Dateline NBC Update

**Quixtar Business
Analysis**

MLM Questions Group

A R C H I V E S

January 2004

December 2003

November 2003

**Syndicate this site
(XML)**

Here are some of the major problems associated with MLM/Network Marketing today:

1. Expensive Products
2. Expensive Training, (books, tapes, meetings), with questionable results at best.
3. Questionable Leadership, (leaders based on attaining a level - when the level could be attained without any leadership skills)
4. Confusing compensation plans

One of my goals is to make a positive change in the MLM/Network Marketing industry. I believe people are tired of being misled and they are tired of empty promises of riches through MLM.

Posted at 03:35 PM | [Permalink](#) | [Comments \(6\)](#) | [TrackBack](#)

November 27, 2003

Happy Thanksgiving

Today, I ponder some of the things that I am thankful for such as my family and friends. I don't mean to make a list of all things that I am thankful for but I am thankful for this outlet to share my thoughts and opinions with you. I am thankful for the Internet, where I found this picture under "Thanksgiving" and I am thankful for humor.



Posted at 09:04 AM | [Permalink](#) | [Comments \(0\)](#) | [TrackBack](#)

November 25, 2003

Meeting Mr. Triple Diamond

While I was still active in Quixtar, I got a call to have a private meeting with one of only two Quixtar Founders Triple Diamonds in North America. There were 7 people in the room. My wife and I, three other IBO's, my upline sponsor, (who is a diamond), and the Founders Triple Diamond. What took place in the next two hours is a big reason why I am no longer active in Quixtar today, although at the time the meeting served what I imagine to be it's purpose, to get me excited and more dedicated.

Basically what was outlined in the meeting is the amount of money we could make if we just kept "showing the plan" and "plugging in" to our upline. (We were in the 4,000PV range at the time.) Mr. Triple Diamond went on to say that there were changes going on within the system. Changes that would make it more lucrative once you became a

diamond. We would make money on books, tapes, functions, voicemail, and even websites. Mr. Triple Diamond even compared the possible income to that of a professional basketball player, indicating that millions of dollars could be made if we chose to follow the path that they had laid before us. He even said at one point that his income would blow away Gary Payton's in the long run. Gary Payton had just signed a contract paying him \$85 Million over 7 years.

Interestingly, Mr. Triple Diamond never mentioned any income from Quixtar itself. He ended the meeting by saying this: "I wish I could have this meeting with everyone in my group, but I can't."

I later realized that in order for anyone to make millions in Quixtar, they had to have a group of people that were losing millions. The last statement Mr. Triple Diamond made didn't make any sense to me at the time. I thought to myself, "Wouldn't everyone be as excited as I am right now if they knew where the money was coming from and how much was available?" The simple answer is NO! If Mr. Triple Diamond stood on a stage and said, "Hey Gang, I make 80% of my income from books, tapes, and functions, see you at the next function". I imagine a lot of people would not go to the next function.

I knew that I could build a Quixtar Business. I later began to question whether or not I wanted to build a Quixtar Business based on what I knew.

Posted at 05:19 PM | [Permalink](#) | [Comments \(1\)](#) | [TrackBack](#)

November 24, 2003

The History of Quixtar

Amway began in 1959 when Rich DeVos and Jay Van Andel started the company in their basements, they reportedly had \$500,000 in sales in the first full year.

In 1999 the DeVos and Van Andel families lunched Quixtar. Initially all Amway distributors in North America were given a choice. Amway or Quixtar? Later Amway North America was dissolved and all remaining Amway Distributors became Quixtar IBO's.

There is some argument as to whether or not Quixtar is Amway on the web. Same products, same people on a corporate level, and the same exact lines of sponsorship as Amway. You decide. Quixtar did add many "partner stores" to the mix that may not offer much in the way of profit for the individual, but did supply some much needed credibility.

In 2000, Amway reorganized. Alticor became the parent company, while Amway, which was now operating outside of North America, and Quixtar become divisions of Alticor.

The distribution and manufacturing became Access Business Group and the Research and Development became Pyxis Innovations, also divisions of Alticor.

Posted at 06:40 PM | [Permalink](#) | [Comments \(0\)](#) | [TrackBack](#)

November 23, 2003

Considering Quixtar or Team of Destiny?

So you've been "Show-ed the Plan". Here are a few things to consider if you are new in Quixtar or have been approached by someone. Also keep in mind that some organizations will not offer their affiliation with Quixtar upfront, they may use another name such as:

World Wide Group - WWDB, Britt World Wide - BWW, Team of Destiny - TOD, Internet Services, Glogalnet - GNS, International Leadership Development - ILD, International Network Associates - INA, Markerman Productions - MMP, Network 21 - N21, Biznet, Qbiz, Pronet, Interbiz, and many others.

*Extract yourself from the hype and do your best to make a business decision.

1. Price of the Products.

Are they competitive?

Would you buy them at the retail price?

Do you have the ability to sell them at retail price?

If you sell at a discount, is there still enough margin for you to realize a profit?

2. The training system.

How much does it cost?

Is it effective?

Does it utilize available technology?

3. Leaving your home to attend meetings.

How often is the person who is "building it" leaving his/her home to attend meetings?

Are these meetings an effective use of time?

4. Comparing Quixtar to your Job

Are they comparing Quixtar to your Job, or to other home based business'?

Is this a valid comparison or would it make more sense to compare Quixtar with other home based business' in the industry or outside of the industry like eBay?

5. Selling Products

Did anyone mention that you must sell products in order to have a legal business according to the FTC?

Are there any limitations on where and how you can sell your product line?

If there are, are there compelling reasons for these limitations on your business?

6. The Internet

Did they tell you not to believe what you read on the internet and that the internet is the new bathroom walls of society?

While later using the Internet as one of their references for credibility?

7. The name of the company.

Did they dance around the name of Quixtar and Amway, and perhaps use another business name?

Are you comfortable dancing around the subject if someone asked you what "it" is?

Rather than say "Yes, it's Quixtar," did they ask you what you knew about it?

Did they claim that it was different than Amway?

• Did they say "No, it's not Amway. It's Quixtar," as though there was no relationship?

(Special thanks to PW and Tana from the **QBlog Forum** for their additions.)

Posted at 09:15 AM | [Permalink](#) | [Comments \(0\)](#) | [TrackBack](#)

November 21, 2003

XS Energy Drink is Good

I had a friend give me a Citrus Blast XS Energy Drink, from Quixtar. I thought it was pretty good and it didn't have any carbs so I imagine this would be a great product to retail considering the Atkin's Diet Craze.

In my opinion most Quixtar products are next to impossible to sell at the retail pricing. I also find that most people who do any significant retail volume do not charge retail prices but rely solely on the volume bonus to make a profit.

So here comes XS Energy Drink; competitively priced and market relevant. A home run right? Maybe not.

Let's take a look at the numbers:

XS Energy Drink (1 Case - 12 Cans)

List Price: \$23.99

Your Price: \$20.40

PV/BV: 7.54/20.40

The retail profit on 1 Case of XS Energy Drink is \$3.59 or 15%. If you are 100PV in Quixtar, (keep in mind you would have to sell 14 cases of XS Energy Drink to move 100PV), you would make another 3% of \$20.40 or \$0.61. Total profit on a case of XS Energy Drink if you are at the 100PV level is \$4.20 or 17.5%.

Even people in the e-commerce field will tell you that operating on a 17.5% Gross Profit Margin is tough. Let's look at how competitive the product really is.

180 Energy Drink appears to be a competitive product. 0 Carbs, etc. \$21.99 online at **Beverages Direct**

Red Bull Sugar Free 3 Carbs, \$21.99 online

Hansens Diet Red, 3 Carbs, \$21.00 online

XS Energy Drink, 0 Carbs, \$23.99

If Quixtar IBOs want to compete they would have to drop the price by \$2.00, thus leaving the Gross Profit at \$2.20 or roughly 8%.

Suggestion for Upline Folks: Stick to comparing XS

Energy Drink with the price of a Starbucks Latte'.

Posted at 10:51 AM | [Permalink](#) | [Comments \(7\)](#) | [TrackBack](#)

November 20, 2003

Amquix.info - Scott Larsen

Here is a note from Scott Larsen regarding his Website:

My site is back up under the url "[Amquix.info](#)" Instead of "amquix.50megs.com".

For instance:

www.amquix.50megs.com/amway.html is now:

www.amquix.info/amway.html

There will be fore sure some files missing, but I think I got the majority.

Any help discussion board members could give in passing the new domain (www.amquix.info) onto websites linking to the old (www.amquix.50megs.com) domain would be appreciated.

The sooner the sites linked to the old domain update to the new domain, the sooner the Amquix site will reattain its number two position in the google and Yahoo search engines.

I will be traveling a lot the next few weeks and I will not have a lot of time to e-mail all the other sites who have links to the

amquix.50megs.com domain.

Thanks,

Scott

Posted at 03:04 PM | [Permalink](#) | [Comments \(2\)](#) | [TrackBack](#)

November 19, 2003

What's Passport? Part III

I continue reading Bo Short's discussion regarding Quixtar with Scott Larsen at the [Amquix.info](#) site...

The Training System

Here is a quote:

"There is nothing wrong with training. Having spent 14 years playing football I am a firm believer in training. In fact, in the course of writing my books I have spent countless hours with great leaders in all areas (sports, politics, business) that are as adamant about preparation and training as I. However, I believe there is something wrong with a training program that does not seem to produce results."

Results? I hadn't given much thought to the possibility that the system was broken, because it appeared to be working wonderfully for my upline. I began to think about the overall results of the training system. The system appeared to be failing, yet no significant changes were being made. Later, a friend of mine pointed out that if a team is failing, they don't get rid of the players, they change the system and bring in a

new coach. Hmmm.

Bo Short goes on to say:

"What I am referring to by using the term "improper" is based on my observations and experiences. If it is true that the "larger pins" receive 50%-90% of their income from the training system then I would contend that it might be working quite well-for them. When you go to a convention you want to know how to move products and build a team; however, what is often taught is how to "get to the next meeting". "

The scary thing is that I already knew.

Up Next: My private meeting with a Founder's Triple Diamond.

Posted at 04:02 PM | [Permalink](#) | [Comments \(0\)](#)

November 18, 2003

More Team of Destiny Hype

I pulled this off of another board today:

"TOD has a system. We develop leaders. We are the most successful LOS ever. We do not build our community via the fan-out model. It works."

Let's break down the hype, shall we?

1. TOD has a system. A system that will cost you \$200-300 per month to be involved with, which pretty much means that 95% of the folks on the TOD system are losing money.

2. We develop leaders. Really? We have seen you develop people that milk their downline out of \$200-300 per month in order to become successful. Is that Leadership?

3. We are the most successful LOS ever. (Forgive me in advance, I just took my kids to Disney On Ice.) HYPE HOOOOOO! HYPE HOOOOOO! HYPE HO, HYPE HO, Off to an Open Meeting I will go...(really bad whistling)...HYPE HO, HYPE HO.

4. We do not build our community via the fan-out model. It works. It works for who? I would offer that it is working great for the upline leaders who make 50-90% of their income from the books, tapes, and functions.

How is it working for you?

Posted at 04:17 PM | [Permalink](#) | [Comments \(6\)](#)

Big in Japan

I was reading some slightly dated material on MLM Sales vs. number of distributors by country, (this is according to the World Federation of the Direct Selling Association...circa 1999)

Japan: 30.2 Billion in Sales, 2,500,000 Sales People
US: 22.2 Billion in Sales, 9,300,000 Sales People
Brazil: 4 Billion in Sales, 1,839,000 Sales People
Germany 3.6 Billion in Sales, 335,000 Sales People
Italy 2.1 Billion in Sales, 340,000 Sales People

If my math is correct, the the average sales per person in Japan is \$1,000 per month and the average sales per person in the US is \$198.92 per month. I

will have to do some research to find out what is going on in Japan.

If the Japan numbers were duplicated in the Passport business, the average Independent Associate would be making over \$450 per month ($\$1000 - \$85 \times 50\%$) without ever touching the MLM compensation.

Posted at 10:05 AM | [Permalink](#) | [Comments \(0\)](#)

November 17, 2003

What's Passport? Part II

While reading the Discussion with Bo Short at www.amquix.info, two things jumped out at me.

1. Bo Short Resigned from Quixtar.
2. Bo Short was a Diamond.

STOP! Data does not compute! You don't go Diamond and then resign. My goal in Quixtar was to go Diamond and I was not alone. This guy resigned? He didn't sell his business, he outright resigned.

Why?

Here is a quote from Bo Short within the discussion:

During my last conversation with a company representative I stated the following, "In my opinion, what you have demonstrated to me is that your volume is more important than who you say you are. What I am demonstrating to you is that my word, my name, and the relationships I have built are more important than your paycheck."

And so I read on. Next up, The Training System.

Posted at 03:56 PM | [Permalink](#) | [Comments \(0\)](#) | [TrackBack](#)

New Look MLMBlog

I am launching the new look MLMBlog today. I will be adding new features as I learn more about the **new program**. Meanwhile, check out the "Categories", an easy way to find the stuff you might be looking for, located in the left hand menu.

Thanks for reading!

Posted at 11:22 AM | [Permalink](#) | [Comments \(0\)](#)

What's Passport? Part I

Towards the end of last March, I went on the net to search "Quixtar". I had been doing this every few months, trying to keep up on the latest news and finding out who is suing whom.

I ended up at the **Amquix Site** and found this **discussion with Bo Short**.

Some may find it hard to believe but I had never heard of Bo Short before reading his article. WWDB, also called the World Wide Group did not bring in speakers outside it's own organization. Later I found that Britt World Wide, BWW, operates in the same manner. Other groups within Quixtar such as the Team of Destiny, Network 21, ILD, Yager's Internet, and INA apparently bring in speakers from other organizations on a regular basis.

I printed out the discussion with Bo Short from Scott Larsen's Amway-Quixtar Analysis Site and read it aloud to my wife. Point by point we began to compare what Bo was saying with our own experience. Early in

the discussion, Bo asked three questions:

1. How long have you been in?
2. How much do you spend each year learning how to do it? (books, tapes, seminars)
3. What was your last bonus check?

Those were questions I did *not* want to answer.

Posted at 11:11 AM | [Permalink](#) | [Comments \(0\)](#)

Mr. Peabody's Apples

I just finished reading a book to my daughter titled **Mr. Peabody's Apples by Madonna**, yes that Madonna.

The book is the second of five in a series of books that Madonna is writing for children, with proceeds going to children's charities.

According to the inside cover, the book is about "...the power of words. And how we must choose them carefully to avoid causing harm to others."

Today I witnessed some name calling on the weirder by the minute MLM Survivor Yahoo Club. It seems that as long as you align yourself with the thinking of the people that run the board, you are apparently free to abuse anyone that doesn't align themselves perfectly with the MLM Survivor world.

Now I am not up on a soap box to say that I have never verbally abused anyone on a message board, I have and I can be pretty good at it. Going forward, I am going to try chose my words more carefully and think about the impact on others. But I am astonished at what is allowed to be said on a message board that

touts itself as a place for healing.

I don't want to spoil the story of Mr. Peabody's Apples, but it has to do with thinking you know someone, telling people what your perception of the person is, and then having your perception turn out to be completely untrue. Perhaps we can all still learn from a children's book.

**"It doesn't matter what it looked like.
What matters is the truth."**

- Mr. Peabody

Posted at 11:09 AM | [Permalink](#) | [Comments \(0\)](#)

The Day After Dateline

There has been a great response to the Dateline Update at www.quixtarnow.info. I am currently in contact with Bo Short, who is reportedly part of the Dateline NBC show on Quixtar. I hope to put together a question and answer conference call scheduled for after the show airs.

I suspect there will be a lot of news to report after the show airs and I will work to keep you in the loop.

Follow Up:

Bo has asked that if we have a conference call, out of respect to the attendees, questions not include inquiries about his new company. He would prefer to keep that topic separate.

Posted at 11:07 AM | [Permalink](#) | [Comments \(0\)](#)

Quixtar Dateline Update

"When is the dateline story?"

"Will you let me know once you hear the date?"

OK! OK! I get the point.

I have started an email list to keep people informed of news related to the Dateline NBC story on Quixtar. If you would like to subscribe visit www.quixtarnow.info.

Posted at 11:06 AM | [Permalink](#) | [Comments \(0\)](#)

Resigned Diamond Answers Questions

Resigned Diamond, **Bo Short** has been answering questions at the [QBlog Forum](#).

It has been very interesting reading, here is a snip:

"However, I will tell you of a friend of mine that spoke to a double diamond (was one of the largest in that business) who allegedly said during a discussion he had one day when he was angry at the company that his product income was only about \$300k . However, he lives a multi-million dollar lifestyle. Needless to say he has tenure."

- [Bo Short appearing live at the QBlog Forum](#)

Posted at 11:04 AM | [Permalink](#) | [Comments \(0\)](#)

Running for Congress on the Anti-Amway Ticket?

I ran across a **site** that appears to be promoting Kenneth L. Lowndes for Congress. Not out of the ordinary I suppose, until you read the platform.

"Perhaps very soon, photos of the actual supporting documents of the DeVos and Van Andel Crime Family's ongoing THEFTS from my Family"

The DeVos and VanAndel families are behind Amway, Quixtar, and Alticor companies. The site goes on to say:


"Strange, isn't it, for someone to run for Congress, and use such as a platform to continuously blow the whistle on their ongoing THEFTS. Someone has to do it."

I thought this might be a *different* type of political page when I saw the flaming "Lowndes For Congress" Banner.

Well, they have at the very least peaked my interest. I will be watching the site for updates and will keep you posted.

Posted at 11:02 AM | [Permalink](#) | [Comments \(0\)](#)

Blogging

I was looking through a list of  Blogs tonight and a thought came to my mind. Why in the world are there no Pro-Quixtar blogs on the internet? If I read the Quixtar rules correctly it is OK to have a Personal Home Page and I believe a personal blog would fall into this category.

C'mon kids...it's not that hard.

Follow Up:

QBlog was kind enough to put together a **How and Why to Start a Blog**. I personally use **Blog Builder**.

Follow Up II: I now use **Typepad**.

Posted at 11:01 AM | [Permalink](#) | [Comments \(3\)](#)

How to Go Emerald and Diamond in TOD

According to a handout I recently received, here are a few things you need to do in order to move on to Emerald or Diamond in the Team of Destiny line of sponsorship associated with Quixtar. As you read through these actual quotes, think about how many of them relate to:

- 1. Buying Tools, i.e Books, Tapes, Voicemail**
- 2. Attending Functions**
- 3. Minimizing Creative Thinking**

"Double your tool stock. Double your flow"

"If you don't have the material to give out to your new people, you are failing them"

"Get to the point that when someone opens your trunk that your proud to show them your stock"

"Having tools will motivate you even more to show the plan and get them in people's hands so they can learn"

"You should be moving as many special order tapes as tapes of the weeks in your groups"

"Work in the system, not on the system"

"The worst thing you can you can do for your business is to pick and choose within the system"

"Don't create, duplicate"

"VOICECOM is SO important"

"We don't listen to enough tapes..."

"Increase your relatability by reading books in the system, and you will have many more power players on your team"

"Professionals will read and promote reading in their entire group"

"Promote and focus on attendance of all opens"

I'll end with this one...manipulation at it's finest:

"None of this applies if you just want to get by. This information is for champions only"

Posted at 11:00 AM | [Permalink](#) | [Comments \(0\)](#)

Team of Destiny or Team of Imfamy? Part III

I have read several accounts of folks coming away from a Team of Destiny open meeting without any idea that they just saw Quixtar, let alone a company that was formerly Amway.

Do they mention Quixtar in the Team of Destiny Open

Meetings?

Posted at 10:58 AM | [Permalink](#) | [Comments \(5\)](#)

Did You Know?

1. MLMBlog got a **plug from www.quixtarblog.com**.

2. Got Questions, Comments, or Topics Suggestions?
You can eMail MLMBlog.net at **mlmblog@mlmblog.net**.

Posted at 10:58 AM | [Permalink](#) | [Comments \(0\)](#)

IBO's Behaving Badly - Don Storms

There has been some talk recently about Don Storms and how surprised people are about his involvement with **[The 4Nexchange Ponzi Scheme](#)**.

For those of you following this story, here is an update:

[QBlog Forum Storms Update Thread](#)

Storms was apparently suspended from Quixtar due to his involvement in this scheme. The information has been out for a long time, yet even people that were in the Storms organization are just now finding out about it. I wonder what the "spin" on this story was.

Posted at 10:57 AM | [Permalink](#) | [Comments \(0\)](#)

Diddy Runs the City

The post today doesn't have anything to do with Network Marketing it has to do with Rapper Sean Combs, aka P Diddy. Today, **[P Diddy will run the](#)**

New York City Marathon in hopes of raising \$1 Million for "Daddy's House", a non profit that offers the following programs to inner city youth.

- Weekend Boys and Girls Club: Provides academic tutoring and life skills training to nearly 800 boys and girls every weekend throughout the school year.

- On Wall Street: Three week course that teaches the fundamentals of the stock market and practical financial skills.

- College Tours: A three week tour to various colleges for high school seniors.

- International Travel Groups: Offers students an opportunity to travel to countries such as South Africa and Ghana and learn about trade, culture, commerce, and international relations.

- Sleep Away Camps: Provides a retreat to summer camps on upstate New York for nearly 200 children every summer.

The other charity that will benefit is the **Children's Hope Foundation**, that works to improve the quality of life for children living with HIV and AIDS as well as New York City Public Schools.

Further information can be found at

DiddyRunsTheCity.com

I have to admit that I don't really listen to Diddy's music or wear clothing from his Sean John clothing line, but I do admire the work he is doing with these charities.

Follow Up: 'P Diddy' Raises \$2 Million

Posted at 10:56 AM | [Permalink](#) | [Comments \(0\)](#)

Dateline NBC - Quixtar

Here is a great page for information about the upcoming Dateline NBC story on Quixtar:

QBlog's Dateline Page

Take a minute and add us to your favorites. I don't have the date for the show yet, but I am pretty sure this blog will be among the first to release it.

Stay tuned.

Posted at 10:55 AM | [Permalink](#) | [Comments \(0\)](#)

Scent of an IBO

When I first got started with Amway in the 90's, I was wearing Obsession for Men cologne. Being the good little IBO I was, I quickly switched to one of the colognes offered by Amway, **TONGA COLOGNE**. Today this strikes me as hilarious. A man that subscribes to GQ magazine actually at one point in his life wore Tonga Cologne in order to better his chances at financial freedom.

A side note about the Amway colognes of the 90's is that they apparently had a very distinct fragrance, so much so that at one point my upline mentioned that he can always tell when a person is wearing the "positive cologne" and when someone is wearing "negative cologne". I remember thinking that was a little creepy at the time. Just another thing I brushed over in my pursuit of the dream.

Posted at 10:53 AM | [Permalink](#) | [Comments \(0\)](#)

Team Of Destiny or Team of Infamy? Part II

Is Team of Destiny an illegal pyramid?

Why Team of Destiny is an Illegal Pyramid

I will let you be the judge, but I am very interested in hearing the response to these allegations by anyone involved in TOD.

Posted at 10:53 AM | [Permalink](#) | [Comments \(13\)](#)

Quixtar, Dateline NBC, and Bo Short

I will let this letter speak for itself, but needless to say, we are coming into a very interesting time for Quixtar.

Date: 10/11/03

To: Passport Independent Associates

From: Bo Short

Re: Upcoming Dateline NBC Show

Hello Everyone,

For those of you that are unaware, I had qualified once and attained the level of diamond in 1995 in the Amway business. Having been made of aware of issues in 2000, and having unsuccessfully attempted to cause change, I chose to resign my income and business as an Amway/Quixtar distributor in 2001. I did so as I could not represent a business to be something that I no longer believed it was. Unfortunately, over the course of my Amway/Quixtar

career many of us were taught and subsequently passed on things that turned out not to be true. I have tapes that were made of a number of my speeches that reflect this.

As many of you know, Dateline NBC will be airing a show discussing the Amway/Quixtar business. I do not know the details of the show but I wanted to let you know about my role in it.

The shows producer, wanting to discuss my experiences, attempted to make contact with me on numerous occasions. After a great deal of deliberation I decided to return one of his telephone calls. Following in-depth discussions with my family and after consulting with law enforcement personnel to discuss the safety and well being of my family, I made the decision to discuss my experiences on air.

The reason I believed that meeting with law enforcement personnel was important stems back to an alleged comment that was made in the year 2000 by a senior, tenured diamond who inadvertently discovered that a small group of us were discussing leaving our upline and working directly with the corporation. He allegedly said about us, "I will put a bullet in the back of their heads." It was this alleged statement that has heightened my awareness to the possible repercussions involved in challenging the hierarchy of their "business support materials" business. While many people may

perceive this as dramatic I would suggest that the "wholesomeness" that is presented on stage is not always what it appears to be. Additionally, the potential loss of millions of dollars of income for a small group of people may cause some to react in ways that would be excessive.

I was asked what I thought the corporation or their senior distributors would say regarding my statements. Fortunately, I have copies of notes (not just mine) from meetings, contracts, and memos to support my statements. In my opinion, their reaction will most probably be to assail my character. This is a common political move designed to divert one's attention from the truth. I would expect them to make inaccurate and misleading statements similar to the following that they posed in response to my resignation.

In September of 2001, I chose not to renew my Amway/Quixtar business and to no longer receive compensation. When contacted by Quixtar I was told that was insufficient. I insisted that I was through. They countered with a demand that I produce a resignation letter. I find it quite interesting that the business compendium that I used and the one that was published later address this issue differently. To avoid further conflict I sent one that they claim was never received. I then sent another that they finally acknowledged in November 2001. I have never received compensation from

them since the end of September 2001 when I told them I was through.

In mid-to-late October I launched Passport as a solution to address what I perceived were very complex problems in this industry. I later read in a letter written June 25, 2002 to an acquaintance of mine, attributed to Gary Vander Ven (Quixtar's Manager of Global Business Conduct and Rules) in which he said, "Bo Short was not forced to resign. He voluntarily quit when faced with complaints from other IBOs that he violated Quixtar's Rule 4.14." I find this to be very offensive and typical Quixtar "spin".

In my opinion, I believe that they purposely prolonged acknowledging my departure to set the stage for comments such as these. However, they know the truth as to why I resigned. In my opinion, Mr. Vander Ven's letter is a convenient way to avoid the truth. I believe it is easier for some of them to avoid telling the truth than dealing with the ramifications of it.

The ultimate reason I decided to participate in the upcoming Dateline NBC program was no different than the reason I resigned my income and business in Amway/Quixtar; it was the only right thing to do. Having served as the Corporate Liaison of the group that was challenging the BSM hierarchy in the year 2000, I was privy to private meetings with corporate officials and IBOAI board members (this is the distributor board

that supposedly represents the best interest of the distributor base) in which I heard and learned things that shocked me. While I made some of this information public approximately 2 years ago, the depth of what I learned was never released.

As well, the BSM group (Team In Focus) I was associated with was started as a way to "fix" what we perceived as wrong with that business and create an ethical, equitable program. Unfortunately, financial improprieties amongst a couple members of the TIF leadership created an intolerable situation. I could not be associated with people that would betray the trust of the people they were supposedly leading as well as working with. Having lost faith in the leaders in the "field" as well as the "corporation" I had no alternative but to resign.

I was asked why I would expose my experiences and findings in the public forum now. The answer is three-fold. First and not to overdramatize the situation; I believe that public knowledge offers my family more safety than my knowing something that remains in the shadows. Secondly, I believe this information can protect people from falling victim to, what is in my opinion, abhorrent behavior at best. And thirdly, I have a beautiful daughter whom I love with all my heart. I believe that I have a responsibility to teach her that doing the right thing is not always easy...but it is

always necessary.

I do not know how much of my interview will be used in the show. The taping encompassed several hours. I was very forthcoming and told only the truth as I know and experienced it. I was never asked to embellish any part of my story. I did tell the producer that it was my opinion that the overwhelming majority of the distributors were good, kind, pursuers of the American dream and unaware of the complexity of the situation. I did not even learn the depth of this myself until the year 2000.

I am available to answer your questions. I am so proud of what you are doing in your business, powered by Passport. I would encourage you, as always, to have fun, and tell the truth. I believe more than ever that we have an opportunity to do something great together. People are looking for the truth. They do not want to do something that delays gratification for a lifetime...they simply want something that will work the way it is presented. Our true test as a company will be to provide just that.

I am proud to know you.

Always Lead,
Bo

Posted at 10:52 AM | [Permalink](#) | [Comments \(1\)](#)

Team of Destiny or Team of Imfamy?

The Team of Destiny, a Quixtar Motivational System

promotes a business building technique called stacking. Stacking refers to the practice of placing people down one leg. In other words if I sponsor "Joe", then everyone else I sponsor goes under Joe and so on. (If you have any questions regarding the terminology used throughout this post, feel free to e-mail me using the link on the left side of the blog and I will do my best to explain it in English.)

Stacking is not always a bad thing in Network Marketing. It depends greatly on your compensation plan. Interesting enough "stacking" makes little sense in Quixtar if you are concerned with "Quixtar Money". Stacking makes perfect sense in Quixtar if you would like to make money from books, tapes, and functions with no concern to the profitability of your downline.

In essence, Quixtar pays you to create volume, but when someone in your downline matches your volume level, you don't make any money.

Example (if you do not have experience with Quixtar/Amway, this may sound like another language...feel free to ask any questions, I will be happy to clarify): Joe's volume is 1200PV, he does 200PV personally and according to the teaching of "Team of Destiny", the other 1000PV goes down one leg. Assuming everyone does 200PV in the leg you will have roughly 6 people in depth. >From the outside this looks like a fast growing group...lots of excitement...2 couples go across the stage as 1000PV Winners! In fact, every time a new person gets placed in that leg and does 200PV, you will have another 1000PV winner to Parade across the stage.

Sounds great, lots of excitement and growth...but let's look at the profit!!!

1200 PV = 2400 BV x 12% Level comes to: \$288
(HEY NOT BAD)

but...

Joe has all of his group down one leg so part of his bonus is going to be paid downline as follows:

1000PV = 2000BV x 12% Level comes to: \$240

Now let's go back to Joe for a second...Joe gets to keep the difference between \$288 and \$240 or \$48 - tapes, books, functions, voice mail, website and presto probably a \$200 or more net loss per month.

But hey, he is only 1000PV in Team of Destiny and he is excited...he will surely make money at 2500PV.....WRONG! At 2500 he makes \$60 Gross. But he is following the Team of Destiny...how about 4000PV...\$72 Gross.

Imagine a "Pin Winners" parade with 20 new pins all from one leg with 1000's, 2500's, and 4000's galore...yet no one making more than \$72 Gross...a few might make slightly more or less depending on where the volume falls in a given month, but you get the picture.

In my opinion the Team of Destiny is set up so that excitement is created and "new pins" are created, making it more difficult to quit. Think about it...you are a new 1000 Pin...getting your pats on the back...being paraded across stage...the reality you just grossed \$48 and probably spent \$250 on the system.

If a diamond in Team of Destiny is paid on the number of tapes they move, the number of people

attending functions, and number of folks that buy books, voice mail and website access...do they care if those numbers come from width or depth?

Posted at 10:47 AM | [Permalink](#) | [Comments \(2\)](#)

No Tech - High Cost

My daughter is singing "I Saw Mommy Kissin' Santa Claus" with a group she performs with. She asked me if I would put the song on a CD for her, and it took me about 5 minutes to find the song on the net, burn it, and hand it off to my future superstar so that she can memorize the words.

(I am pretty sure that the version I found on the internet was a live accoustic bootleg of "I Saw Mommy..." with no copyright.)

The ease and simplicity of downloading the song sparked some thoughts about how easy it would be for systems within Quixtar to put out their information on MP3 for everyone to download.

If the information is so vital to the success of the individual IBO, why don't they make the information available for free or maybe even \$5.00 per month for all you can download?

Posted at 10:45 AM | [Permalink](#) | [Comments \(0\)](#)

Evaluating Network Marketing/MLM

I would like to thank [QBlog](#) for this excellent link from the FTC regarding Multi Level Marketing Plans.

Multi Level Marketing Plans

Here are some additional things to consider:

Make sure you understand how you are going to make money. Many times sorting through the hype and the PV's, BV's and CV's is daunting. You go away from an "opportunity meeting" with little to no understanding of what you just saw, aside from what type of car the speaker drove.

A simple test...can you look at the compensation plan and figure out what percentage of revenue is paid back to the associate?

Put yourself in your customers shoes. Would you buy the product for the retail price shown? Remember you must have customers in order to have a legal, let alone profitable business.

Beware of start up costs that have nothing to do with the actual start up with the MLM. Many times systems will include "stuff" with start up. In other words it may only cost \$50 to get started but they are telling you that everyone buys the "Quick Start" kit for \$250.

Find out about the training costs. Ask the rank and file! If they won't let you talk to the rank and file...RUN!

Find out how many nights per week people leave home to build the MLM. Again, ask the rank and file!

Research other companies. Compare the compensation plans, products lines, start up costs, and training offered. Search out the good and the bad. Separate your self from the hype and make a logical decision.

Posted at 10:43 AM | [Permalink](#) | [Comments \(0\)](#)

Rich DeVos On Pyramids

"Let me talk to you about the legal side, beyond price fixing, that deals with pyramids, that deals with the illegal operation of a business that does not have an end consumer, where the product is not retailed. That would include all books and tapes. The sad news, folks, is that when those things go out that way and they become excessive, beyond my ten or twenty percent theoretical guideline, hopefully acceptable, to where it's a reasonable support system, but not beyond the reasonable element, then it becomes an out and out illegal pyramid."

- Rich De Vos, Amway Cassette Series VA-2160

Recent lawsuits suggest that diamonds tool income exceeds their Amway/Quixtar income by 9 to 1.

Quixtar/Alticor/Amway sued by IBOs

What does that say about the legality of the Amway/Quixtar tools systems?

Posted at 10:28 AM | [Permalink](#) | [Comments \(0\)](#) | [TrackBack](#)

F

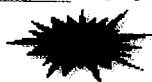
"The Web's largest public collection of Quixtar and Amway information"


Quixtar Amway Business Analysis







Last update 11/28/03 - 960,0478 Unique Visitors since 2/28/98 - 35,183 Visitors last month [Volunteer to translate](#)



[National Do-Not-Call Registry](#) - The new rules apply to IBOs too
[Quixtar's Arbitration Agreement](#) - *"Fundamentally Unfair and Unconscionable"*
[Quixtar an Illegal Pyramid? Q&A about Amway/Quixtar's legal history](#)
[Team of Destiny - an illegal pyramid](#) - See the Michigan AG's definition.
[Current and former Amway/Quixtar IBO?](#) - got ripped off in the biz?
[Quixtar sued](#) - Crown, Double Diamond, Diamond IBOs sue Quixtar over tools conspiracy



[Resigned Diamond Bo Short's](#) - frank discussion about the biz.
[New Pages on this site](#) Want to be kept up to date on my latest pages? [Subscribe to my list](#)
[Quixtar announces NBC Dateline story](#) - NBC's Letter to Quixtar
[The Amway/Quixtar IBO Hall of Shame](#) - *"In Amway you trust everyone"* NOT!
[New Pins listed here!](#) Don't throw those '70's and '80s Amagrams away.
 [Big Pin Bonus Calculator](#) - Calculate big pin bonuses for yourself
[Team In Focus](#)- What is up with them now?

Welcome information seekers! This site presents common sense business analysis and realistic views of the Amway/Quixtar business model. If you are looking at Quixtar or Amway as a way to make some money, you will want to take some time to understand how it works. This site is here to spark your curiosity to ask better questions so you can make a more informed decision.

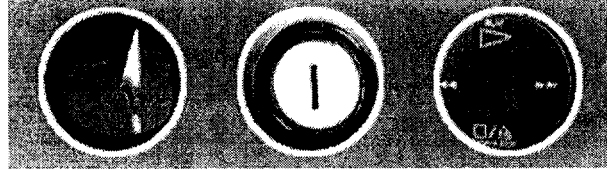
Anyone starting a business should make a business plan using realistic numbers. List its competitive advantages and disadvantages. Study the prices  if you were told you would save money buying products from Quixtar. Try the products for yourself. Make a shopping list to see how much you need to buy to make 100 points. Study the rules and regulations , and how the bonuses work. Understand the profitability of the various products and partner stores. Use the  to see how much money you and your downline friends would really make for your time. Study the many lines of sponsorship  and the various ways they can operate the business. Understand that many of the top IBOs make more money selling you tapes and seminars than they do from the product side of the business. Ask to see your upline Platinum or Emerald's calendar or planner. Understand just how much time the "successful" people are working the business. Ask the successful upline Diamond to prove the "fruit on their tree". Is it from moving Amway products, or from selling tapes and seminars? Ask them to show you how you too can make money off the tapes and seminars.

Be aware that the Business Support Materials Arbitration Agreement (BSMAA)  you sign to join Quixtar binds you to arbitration and silence should you be cheated in the business. Quixtar claims that Business Support materials are backed by a 100% money back policy. There is no such assurance, just read the BSMAA.  Their arbitration is also more expensive than going to court. Arbitration by Quixtar's exclusive firm JAMS/Endispute Inc costs \$400/hour.

You should perform a higher level of due diligence compared to other business investments. You will not

G

Main Identity



[« Tape of the Week | Main | Server Issues »](#)

- [aBOUT](#)
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- [qUESTIONS](#)
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Quixtar Blog

This site is the journal (blog) of the husband of a (now inactive) Quixtar IBO. The purpose of this site is ONLY to express personal opinions, convey emotions and relate experiences. This site is not a review of Quixtar or Quixtar's IBOs. This site is neither an endorsement nor a condemnation of Quixtar. It's just one man's perceptions. ([What is a Blog?](#))

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September 02, 2003

Complaint against Team of Destiny

Give **Scott Larsen a hand**. He is "looking for former Team of Destiny who wish to participate in a complaint about TOD's practices."

Why are you still here? Go send him an email.

Posted by QBlog at September 2, 2003 05:48 PM

Comments

give it up. the team is going to the topsorry you couldn't make it

Posted by: Diamond at December 16, 2003 12:29 PM

Post a comment

Name:

Email Address:

URL:

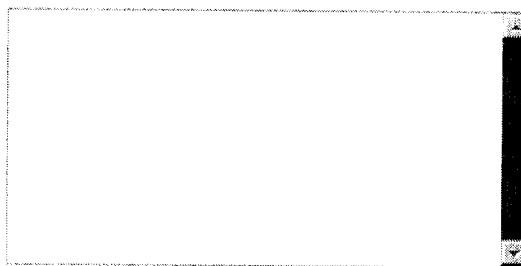
Comments:

[December 2002](#)
[November 2002](#)

Syndication: [XML](#) / [RDF](#)

Make a Donation

[\(what's this?\)](#)



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MLM WHATEVER Blog

This was created to inform persons of home based business's or web based business's of things they may not be aware of and to gather information on related topics concerning The Companies, there is a difference in building a MLM business and building a tool business, we plan to cover both here! As always we encourage you to DO YOUR OWN RESEARCH and make YOUR OWN DECISIONS This site is clearly opinion based and is not meant to influence anyone of anything! WE ARE PROTECTED BY THE FIRST AMENDMENT

- 02/01/2003 -
02/28/2003
03/01/2003 -
03/31/2003
04/01/2003 -
04/30/2003
05/01/2003 -
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current

Contact Us



I can no longer access the Memory Hole Dreambook.....anyone else having this problem?

posted by NSAIBO @ Tuesday, September 30, 2003 | Comment

Has anyone out there ever taken one of those envelope stuffing jobs in the paper or assemble products at home or telemarketing from home blah blah blah or been involved in those chain letter schemes? I rarely see those things discussed, but arent they too a form of MLM??????

posted by NSAIBO @ Tuesday, September 30, 2003 | Comment

Hey Chris if you visit us again, and we hope you will, you will find that our comments are all back up and running again, so you can fish through our Archives and should find alot of info about TOD there, if you have any specific questions, shoot them out and we will get you an answer!!!!

posted by NSAIBO @ Monday, September 22, 2003 | Comments(2)

Okay good news, Finally got the paypal crap taken care of and paid for my old comments account so my archives will be complete with all the comments posted here from the past we HOPE, Im not sure how long its gonna take for it to come back up but when it does I will be doing away with the enetation comments and going back to Squawkbox.....Gotta

Tuesday, September 30, 2003

Monday, September 22, 2003

QBlog
The Memory Hole
IBOAI
Art Lung
MY SITE STATS

question.....Anyone got any dirt on Pampered Chef, Mary Kay, Avon or Tupperware.....have a friend who lives in Kentucky who asked me to post that here and see what you all know.....

posted by NSAIBO @ Monday, September 22, 2003 | No comments

Hey all, we have a new commenter here Chris (welcome Chris) and he is looking for information on TEAM OF DESTINY.....His brother is involved.....Lets give him what we have.....Thanks all

posted by NSAIBO @ Monday, September 22, 2003 | Comments(2)

Hey sorry I have been absent, we moved Friday before last and are still experiencing trouble with our phones, cable, and Internet.....I am currently using dial up but its very very slow so I cant say how much I will be on here.....Anyway I got an email From Scott Larson.....I am posting it here so that others can participate if they want.....here ya go.....thanks again for your continued patience.

Saturday,
September
20,
2003

At one time you wrote me about my Amway/Quixtar web site. I am now asking for a little help and favor. If you have already written me concerning this, please forgive me as I am extremely busy organizing the whole effort.

I am looking for former and current IBOs who wish to participate in a nationwide Attorney General complaint about illegal pyramiding practices in both Quixtar and the LOS BSM businesses. I'm just finishing up a complaint for all the AG's and to help get their support; I need a bunch of testimonies from people harmed in the business. I want to package all these with the other hard evidence I have proving with other court precedents that Quixtar and their lines of sponsorships promote illegal product-pyramids.

The content of the testimony should be short and to the point. Please make the first line "to the Attorney General".

Please detail:
The number of years you were in
The losses you had
Were you how to report member/client volume
you never had so you could
earn a bonus on downline volume?
The hours you spent
If you ever retailed product, what % of your
sales is was
Were you told to ignore the retail sales rule or
member/client rule?
I'll need your name, and address at the
bottom of the testimony. E-mail
them Scott.larsen@juno.com Please do so as
soon as possible to make sure
yours is included in the package. Your
personal data will only be
revealed to the Attorneys General
Please ask any your friends of yours from the
business to also
participate. More details about the legal nature
of the complaint can be
found at
www.amquix.info/quixtar_tod_complaint.html
I've put a lot of time into my site and this
complaint. Here is your time
to help in the battle.
Best Regards,
Scott Larsen

posted by NSAIBO @ Saturday, September 20, 2003 |
Comment

Wednesday,
September
10,
2003

I have a friend here in town that I had a good
conversation with this morning over
coffee.....She isnt online so she wont be
posting here herself, but has given me
permission to post some of what we talked
about here....She was saying that she has
been prospected for a couple of MLM's before
and that she felt something about it was
wrong and not for her when the people
brought up religion.....She feels this is taboo
and that its very low of someone to use
christianity as a selling point when pitching a
business, she went on to say that anyone who
"professes" to be a christian or belong to a
"christian based" organization is clearly either
misguided or trying to sell you something and
using that as a factor.....I can see her point
and can remember being told to mention that
Quixtar is a christian based organization by
upline.....What are your thoughts on this and

what stories can you share?

posted by NSAIBO @ Wednesday, September 10, 2003 |
Comments(2)

How's this for upline motivation? Just had a very very brief conversation online with my "upline" and in this time he asked about my business (The traditional one) and then proceeded to say that he has an IBO who is involved in something very similar, same industry all that, but joined Quixtar because there is no long term guarantee in his traditional business.....then said he had to go and that was the end of the conversation....It had been months since I had heard anything from him and the first thing I do hear is that he wants me to contact my downline and make sure they don't automatically renew their Quixtar business if they don't plan to be active, as it "clogs" up the LOS and costs them money for nothing.....I had a downline IBO tell me when I told him about that..." That makes me want to renew for the hell of it" LOL.....ME TOO.....Internet Services needs to have some seminars or put out some tapes on TACT

Tuesday,
September
09,
2003

posted by NSAIBO @ Tuesday, September 09, 2003 | No
comments

When the hell did it become I-Commerce??
LOL...Guess I was out of the "Loop" on that one....I found on the back of the new Choices Catalog the "definition" for I-Commerce noun: a business model originating in 1999 with the launch of Quixtar. I-Commerce is the convergence of four key elements: the internet, the Individual, the Infrastructure of Quixtar, and Independent business ownership.

So does Quixtar like OWN that now? I-Commerce....I-Careless

posted by NSAIBO @ Tuesday, September 09, 2003 |
Comment

In a conversation I had recently, someone said something to me that didn't mean much at the time but has since made me think.....

This person said to me Isn't it funny how most people on the ANTI Quixtar websites speak

mostly of the system and tools and then speak of what they are doing with their lives now, do they not realize that the system and tools helped them get there....I didnt quote him directly as I cant remember what all was said, but basically he feels that the system and tools some how shape your life and change you and that whether or not you stay in Quixtar you carry some of that away with you.....I guess that could be true, and I cant say that all the tapes I heard were a complete bore...I heard some by Earl Nightingale that were pretty good and I read some good books....But some of what I learned was the opposite of what was intended for me to learn.....instead of learning their ways of treating people, I learned how NOT to treat people....Sure I carried some positive things away with me, but that is because I chose to...I also carried away some negative things.....What are your thoughts????

posted by NSAIBO @ Tuesday, September 09, 2003 | Comment

By the way, in the future please make your comments where it simply says "comments" The reason we have left the Squawkbox comments in tact is so that in case they decide to put them back up we will still have them.....Who knows maybe they will one day let me pay for an account and then I will get those comments back....in the mean time we are using another commenting site for comments....Thanks!!!

posted by NSAIBO @ Tuesday, September 09, 2003 | No comments

I heard from "upline" tonight that FEC (Free Enterprise Celebration, a Quixtar function) was held for "our group" in St Louis this year....and went well, heard it was a "packed house" and had some great entertainment. George and Ruth Halsey spoke and of course Dexter and Birdie did their bit. The Temptations were there along with some comedians and some TV personality Jay Johnson from the sitcom Soap.... One of our "upline" Emerald couples "Kelly and Carrie Rogers" went across stage as new Diamonds, Guess they also heard from some new emerald,who said he made it in a year, his first 4 years in the business were just being

active, not proactive, so he got pissed off at himself, and went 1200 PV to Emerald in a 12 month period, pretty cool I guess.....I was also informed that some practices that our "team" used to use are now being re-thought and changed....one in particular that I never could conform to was the "END OF THE MONTH PV CALLS" This is where you call everyone in your downline and beg borrow and steal PV out of them, encourage them to order themselves to the next bracket, or to place an order to get enough PV to get a check off of themselves or downline.....Since I never chose to make these calls, they were always made for me....Once "upline" called someone in my downline and tried to encourage them to purchase 2 or 3 Esprings (I cant remember) to get to the next pin level.....Wonder if they realized how much money they were asking this person to spend....but they said that it made sense since the esprings werent shipping right then as they had just come out so you didnt have to pay for them for like another 5 months or so.....Whatever it takes to sugar coat it, fact still remains that at some point YOU HAVE TO PAY FOR THEM!!!! So when I hear people say that they are gonna build a Quixtar business "their own way" or "without the system" I just have to laugh and think to myself, goodluck....your upline has access to your information as well as your downlines info, so they can contact them if they choose to, and imagine if they persuade this person that the system is where its at.....What does that do for YOUR credibility once your downline realizes that you "kept" this from them.....Oh well....Glad they had a good time in St Louis....and glad my bank account was not affected by it....thats all I can say!!! Im sure that these comments have once again opened me up to fire as a "disgruntled failed IBO" and thats cool, to each his own. Your freedom may be available in MLM or Quix or whatever, mine is not, thats all Im saying!

posted by NSAIBO @ Tuesday, September 09, 2003 |
Comments(6)

Check out this business opportunity that is harnessing Ebay and other Auction type sites as a way to make money

Epower

posted by NSAIBO @ Tuesday, September 09, 2003 |

No comments

Okay I am really excited that it seems our comments are coming back up.....This means that people can search through our archives once again and get information on many many topics that we have covered here since Feb. of this year, that was a massive loss to me when those were down.....I am working still on trying to pay for the comments however there are some paypal disputes for some reason that they are working on.....I will keep you posted, that is IF I CAN FREAKIN POST LOL!!!!!!!!!!!!!! Thank you for your continued patience

Monday,
September
08,
2003

posted by NSAIBO @ Monday, September 08, 2003 | No comments

Hey guys, been having some difficulties again with the site so sorry no posts, I got someone wanting some information about Primerca.....Anyone got any info on this company, they emailed and asked that I post something to get feedback on the blog.....Thanks in advance you all

posted by NSAIBO @ Monday, September 08, 2003 | Comments(3)

I have a request for you all.....Would some of you share your feelings about how you now feel about having prospected your friends and family for MLM.....If you have never been involved in MLM but have been prospected by someone close to you, share your feelings here.....I think this will be helpful for some of the people that have visited the blog recently.....Thank you all

Friday,
September
05,
2003

posted by NSAIBO @ Friday, September 05, 2003 | Comment

Funny happenings at the local Fair this weekend.

We took the kids to the Local Fair this weekend, they had alot of arts and crafts etc and booths set up for local vendors or business owners to set up their "stuff". Of course you had the usual Tupperware, Avon, and Mary Kay there, along with Pampered Chef, Home Interiors and a few others. Well

Tuesday,
September
02,
2003

we were stopped by a couple who were marketing Cell phones, Cell phone service, satellite, cable, internet blah blah blah, well they said that we could make money marketing these things and make money for referrals and all that good stuff, I asked if it were some kind of MLM or "BE SELF EMPLOYED, BE YOUR OWN BOSS" kinda crap, oh they were emphatic that it was indeed nothing like that, But oh yes it was.....It was very much like that.....Its outta control man, MLM's are springing up everywhere, its like okay, we see what people hate about those MLM's so lets create one that hides all that even better and it will market like crazy, and they are right.....Some MLM's are hard to detect, you really have to be MLM savvy to see through some of them....So this makes me think, well MLM may not be that bad and whats wrong with making some money....but isnt there another way to market these products etc and do it in a NON MLM WAY????????? Gets the wheels turnin thats for sure

posted by NSAIBO @ Tuesday, September 02, 2003 | No comments

H

Main Identity

From: "Scott A Larsen" <scott.larsen@juno.com>
To: <kuiper@wheelerupham.com>
Cc: <alvarez@wheelerupham.com>;
Sent: Friday, December 12, 2003 6:54 AM
Attach: amway_postma_memo.pdf
Subject: Your client Team of Destiny

Dear Mr. Kupier,

I would like to introduce myself. My name is Scott Larsen and I am the author critical of your client's business practices at www.amquix.info

I have finally found out that you might be the person responsible for complaining to my web site hosts. I'd like to clear up a few misconceptions and false information you are spreading about me.

I assume your firm has access to the Pacer data base system. I would also assume that a competent lawyer might also check the record in the Land case before spreading false and misleading information to others. If you read the docket in the Land case you will find the plaintiff was never even served and further more the case was dismissed with prejudice. I was never "stopped by a Federal court". Such statements are defamations to my person. I guess Quixtar never told you that Mr. Land was censured and his group had to be retrained for the blatant lies and misrepresentations I found in his public plan showing.

It is unfortunate that no one has ever contacted me personally about my page. Some of these items could quickly be cleared up with simple communications. It seems rather odd that if a person has a problem with another that they choose to speak with third parties rather than to the responsible person about the issues. I don't know why you have not chosen to communicate with me in this matter. Is there any reason? Does this make sense or not? My e-mail address is found in no less than 33 places on my web site. If one wants to quickly mitigate a situation, should one talk unresponsible third parties about it?

You will find I can be most accommodating and if you would have taken the effort to communicate with me, there might have been no need to spread false information to my hosts and others.

For your trade mark issue with Team of Destiny I have added the little ® symbol to the name. Should you find others I have overlooked, please don't hesitate to write me. It is surprising to me that other lines of Sponsorship and Quixtar have never once mentioned this trivial item to me.

Just for your information, the TOD news pages I had on my site, which were used to support my accusations of TOD not promoting retail sales, and therefore being a pyramid scheme, were actually in unprotected folders available to anyone on the web. About three days after the page [tod_illegal.html](#) was posted the read access to these folders was changed and they were no longer public on the web. I'm sure you could as the TO"D webmaster and he will tell you that he reset the read privileges in October some time.

Just for your information, there is another page still available for anyone to view without logging into the TOD web site. It is at <http://www.teamofdestiny.com/public/TFAQ.htm>. You might inform your client of this breach in security on his site, since he seems very concerned about "theft" from his super secret web site. The page even goes on to use Meta tags which is a sure indication one would like the page to indexed and publicly available in search engines.

Here is the Meta tag:

<meta name="keywords" content="Team of Destiny, TOD, Orrin Woodward, Laurie Woodward, Chris Brady, Terri Brady, Tim Marks, Amy Marks">

Since I have since been made aware of your clients sensitivity, via third parties of course, to posting truthful information on my site that was at one time available to the public without password protection on the TOD website. I have removed the Team of Destiny formatted pages to calm your client. This is of course to not admit guilt or wrong doing but console what appears to be an easily upset table client of yours. It is truly amazing to me that the people I expose with the largest and blatant lies about the business always kick and scream the hardest once publicly exposed. Mr. Woodward appears to be no less such a person than Mr. Joe Land.

To expedited issues in the future I suggest you speak directly to the person who can actually make changes to a web site. It makes little sense to me to communicate through third parts who cannot make the actual changes.

I have also removed the Team of Density graphic and replaced it with my own art work depicting the illegal BSM's business. This graphic is a better representation of the TOD practices than the one from the TOD web site.

As far as the 9 or so previously public Team of Destiny pages promoting the illegal "buy for your self, and show others how to buy for themselves" business model, have summarized the previously public contents, which I feel highlight the illegal practices of TOD and placed them on one summary page. For your information the content of the pages will most likely be still available to the public via the 50 State Attorney Generals who have electronic copies of them.

As far as your statement about me "establishing" a search engine. This statement really only confirms a significant lack of knowledge on how search engines and spidering work.

Additionally, the audio clips, which were posted on my site, were not at all from the Team of Destiny web site, but were from cassettes sent to me by a site visitor. I know that Team of Destiny has sold tens of thousands of these cassettes and many are now in the hands of the public. According to the copyright law A I am allowed to use excerpts for criticism. I have removed the links to the audio clips given your clients heightened sensitivity to having the truth available to the masses on the Internet. Site visitors will just have to live without the actual clip, if TOD insists they not be linked.

I have also changed the wording just a bit on the page from "Why team of Destiny is an illegal pyramid" to "Is team of destiny an illegal pyramid? Decide for yourself!" This presents the page more like it was intended, as my opinion, and not a statement of fact, since we both know Team of Destiny has never been the subject of a full scale Attorney General investigation.

If you care to read up on the legalities of illegal pyramid scheme there are a host of cases for your review.

You might see these pages for some for more information:

www.amquix.info/TOD_FAQ.html

www.amquix.info/quixtar_pyramid-q-a.html

As an attorney representing Team of Destiny, I might be more concerned for my client being prosecuted as an illegal pyramid than bother about some web site, which has only brought the truth to light.

I'm sure after Dateline airs its expose that Team of Destiny will have much larger issues to worry about

than someone who just posted unprotected information from the TOD website, where the Team of Density leaders basically self incriminated themselves. Maybe after the show the Michican Attorney General will actually study the TOD practices and find them an illegal pyramid. Until then you can assume TOD is not an uillegal pyramid just because TOD has never been investigatged by the AG for being one. A thief is not a theif until he is convicted, right? Is it true that Quixtar is in bed with the Michigan Attorney general and actually called other state AG's about my CD-rom complaint?

Surely when it comes to the Team of Destiny, the truth surely and their own words are very embarrassing and painful to them.

Should you have any other concerns, please write. It make no sense carrying everything out with "double top secrecy" and then wonder why nothing changes.

With Best Regards,

Scott Larsen

ps. Just for your reading pleasure I will enclose a copy of the Postma memo from Amway, declaring the tools business an illegal pyramid. Mr. Woodward also runs such a tools business.



INTERDEPARTMENTAL MEMORANDUM

TO: Patric Sullivan

FROM: Ed Postma

DATE: January 10, 1983

SUBJECT: ANALYSIS OF THE BRITT/YAGER SYSTEM

There is no question that the system captioned is all inclusive. It is the only system utilized in the Amway business which attempts to give security to entrepreneurship. Although there are variations of this system dependent on the personality of the Diamonds involved, there are certain underlying principals which are used by all. Below are some of the methods of operation used by this system.

- A. Relationships. When talking to Directs and Diamonds in this organization, it is often heard that they are in the process of developing friendships downline. Friendship-relationship is central to the building of the business in this line of sponsorship since it develops a good deal of loyalty and dependency to the line. Loyalty and dependency is the ultimate objective of the "system."
1. Relationships within the line of sponsorship. The line of sponsorship becomes involved in developing friendships as opposed to immediate business relationships. When a new distributor is sponsored to this line of sponsorship, the immediate upline Direct Distributor becomes acquainted with the individual. This is done in two ways; first, often times because of business-building techniques, the Direct Distributor will have been the individual who has shown the plan for the new distributor. The second method is that the Direct Distributor is consistently held up in "edification." This makes him someone who is to be trusted and emulated. There is constant reinforcement of this technique in training situations, or in rallies. In addition, it is taught in the line of sponsorship, that when a new Direct Distributor breaks, over 50% of his volume should be in one leg. It is patterned for a new distributor to be assured that his upline will help him to become a Direct Distributor. Technique used allows for upline Direct Distributors to work in one leg of this individual's group. They are consistently edifying the distributor whose organization they are building, however, relationships are being developed with the upline Directs. This is done to assure loyalty within the organization. Should a Direct Distributor break, and decide to do his own thing, relationships which have been developed upline would preclude any independence.

P&G v. Amway, et al
Case No. H-97-2384
P&G Ex. 716

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It is also customary for this line of sponsorship to consistently teach that the relationships in a line of sponsorship are sacred. Distributors are taught that they will not be able to build the business without the presence of an upline Diamond or an upline support structure. Inevitably, if Direct Distributors break off from this structure, their business begins to sag. In many cases, because they feel that they have violated the love and trust of the line of sponsorship, their businesses will ultimately disappear. We have had this occur at least three times in the Northwest in the last three years. So, while friendships are being developed, a dependency is also being created. It is this aspect of their methodology, that has allowed for charges of "mind control."

In all situations, within the line of sponsorship, distributors are taught that they are to do all that has been requested of them by their line of sponsorship. There is no room for individuality or creativity. They are taught consistently that there is no need for creativity, since the line of sponsorship has the answers for them. Decisions are made for distributors based on personality and the size of the business. However, as time goes on, a distributor finds himself more and more reliant upon the advice of the upline Direct, Emerald, or Diamond. In fact, after a Direct becomes a Diamond, he is still not free to act as he wishes. In the area of finances, a new Diamond in the Puryear organization recently confided that in order for him to buy a house, it was necessary for him to receive the approval of Ron Puryear and Bill Britt. Absolutely nothing is left to chance or creativity. There is always the chance of failure if someone is creative, and in order for their business to be credible, no failure is to be allowed.

2. Relationships with other lines of sponsorship. This section of the memorandum could be summarized in the word--NONE. Distributors are consistently advised to have absolutely no relationships with any other persons in the Amway business, with the exception of his upline organization. They may read no other material except that provided by their line of sponsorship. They may listen to no tape or receive any other information from any source, other than their line of sponsorship. If they wish to receive information from any other area, they are completely isolated by the line of sponsorship. The rationale given for this attitude is simply that there are no other successful lines of sponsorship in Amway. They are consistently taught that their line of sponsorship does two-thirds of the volume that Amway does annually. To assure that this sense of isolation is reinforced, the line of sponsorship has provided alternative sources of information so that the distributor organization is not dependent upon the corporation. It excludes from the sources of information any reference to any other line of sponsorship or any achiever in Amway. Although it may seem difficult for us to believe that people would acquiesce to this type of pressure, there is a great deal of insecurity present in the new distributor and his relationship to the business. In providing an organizational structure which gives security to the new distributor, and assuring him he need go no where else for information, this line of sponsorship effectively isolates its distributors from others.

3. Relationships with the corporation. For most new distributors, the corporation is a complete enigma. Although they have signed an application with the corporation contractually agreeing to abide by certain principals, the line of sponsorship does not allow communication between the distributor and the corporation. Since his source of information is consistently upline, there becomes no necessity for the individual to develop that relationship. Historically, this line of sponsorship has viewed the corporation as an impediment to their growth. Because of the fiercely independent nature of its distributors, Directs, and Diamonds, the corporation has become viewed as a hindrance. There is an insecurity about the way that the corporation deals with any challenges in the distributor organization. First of all, this organization does not feel that the company can understand the impact of building the business on a person. It is their feeling that no one at the company completely relates to their efforts in attempting to build the business and organization. This includes even Rich and Jay. It is their feeling that Rich and Jay do not have an understanding of what it takes to build the Amway business today. Second, this organization feels insecure about the direction the corporation is taking. There is a constant feeling of competition with the corporation. In addition, this organization, because of its structure method of doing business, looks at the corporation as a rudderless ship. Every time that the company comes out with a change in direction, they feel that this is confusing to their new distributors. As a result, they discourage their distributors from being involved in any corporation function or tape program. In addition, the corporation serves to signal other success in other lines of sponsorship. This system does not allow that success can be built any differently than in the method that they use.

It is also this organization's feeling that the corporation cannot show the love or concern that is required in building the business. This has to do with relationships. It is their feeling that only on a one-to-one basis or in the building of the business can this relationship be developed. They also feel that because of the size of the corporation effective communication cannot always take place. They would prefer that this communication be done between the company and Diamonds, since Directs may be yet susceptible to confusion. They also feel encumbered by corporation paper work. Their goal is to simplify the business as much as possible.

In the words of one Diamond from the Northwest, "The Corporation should manufacture products and get out of the way." This sums up the extent of the relationship that these Diamonds wish to have with the company. Although this is an extreme point of view for many of these distributors, this view is often times heard as they honestly believe that the corporation is in no way motivating. It has been my judgment on observations, that they do not do a better meeting than we do, nor can they provide the same type of motivation as we do. However, in attempting to convince the corporation to stay out of the motivation business, it allows them to do two things: first, it further isolates the business, second, it allows them to operate a motivation business with little or no competition. Another factor involved is that in some cases, people are trained to do the business in an improper manner. Having a corporation representative stop a

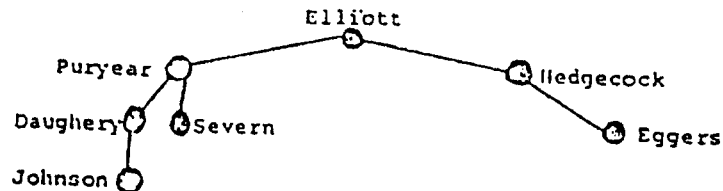
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Direct from doing certain practices causes confusion in their organization and a breakdown in the trust relationship that has been developed. In evaluating the techniques that their business utilizes, it can be proven that their isolation from the corporation has actually caused them difficulty

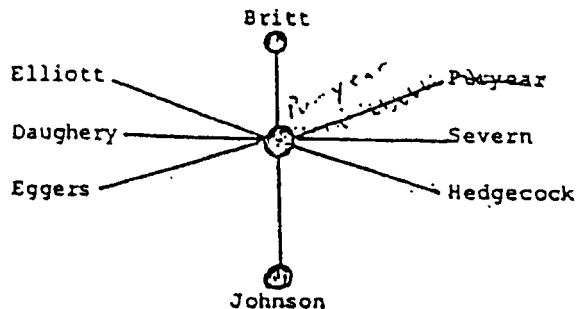
In some instances in this line of sponsorship's association with the company, where corrective matters have been taken, the measures taken often times caused animosity as opposed to understanding. This has also caused a strain in the relationship.

4. Summary paragraph. In the area of relationships, this organization has continually and consistently attempted to create an isolationist point of view with regards to all facets of the business. This isolationism is a present danger, since the loyalty and trust of the distributors and Directs lie with a few select individuals. As these select individuals go, so will go their business.
- B. Motivation. If there are any discussions of any length with the Diamonds utilizing this system, it becomes clear that although they realize that they are Amway distributors, they consider their personal business to be the motivation (tool) business. I think there is little question that that is where the big money is made. The motivation business is also where their primary allegiance lies. When asked, a Diamond in this organization will tell you that he is in the motivation business and that his Amway business would be impossible without his motivation business. So, there is developed a peculiar relationship. The motivation business could not exist without the Amway business, yet in all seriousness, these Diamonds feel that the Amway business is impossible without the motivation business. It has been clearly stated to me by more than one Diamond in this group that if anything is done that negatively affects the tool business, they would leave the business. Their motivation business falls into five categories. Three of these categories are unrelated to the business itself.
1. Tapes and books. When we observe these motivation businesses, the first area that causes concern is the area of tapes and books. These products are sold through the line of sponsorship with little regard for Rule 4. As one example, I would like to diagram the World Wide Dream Builders in the Northwest.

Actual:



For tools:



Each of these Diamonds diagrammed deal with their downline Emeralds and Directs. It is well documented as to the inner workings of the tape business. However, each pin level gets a markup on the tapes with the largest given to the Direct Distributor. The reason for this is that the Direct becomes more involved in buy backs and inventory. In addition, because he is basically one legged, he is not profitable in his Amway business. So, at that level, the tool business subsidizes the Amway business.

2. Rallies. Although the corporation has decided that rallies are not products, this line of sponsorship believes that they are as a portion of the motivation business. A large portion of the money accumulated through the motivation business, comes from the rally system. Although Diamonds reap the largest percentage of profits, Emeralds begin to get a percentage of the gate receipts. In addition, Diamonds and Emeralds receive speaker fees at these functions. It is not uncommon for the profits on these functions to exceed \$25,000 to \$50,000 for a weekend or \$250,000 for a Free Enterprise night.

In addition, this is another area of entry into the Rule 4 violation. In all cases that distributors have become involved with other lines of sponsorship, it has been done through an invitation to a major function.

3. Accessories. This area of the motivation business is not recognized as that. However, in attendance at the major functions are vendors for other products to include jewelry, clothing, and automobiles. These accessories are made available to distributors so that they may appear successful. It is considered extremely important for Diamonds to show material success in the business. Although I cannot be certain, it would seem reasonable to assume that the individuals promoting the functions would receive a cut on everything sold there.
4. Counseling. Counseling is a non-profit area of the motivation business although it is an important one simply because relationships are developed. Counseling goes on continually with the upline also causing dependency. It is a portion of the motivation business because of the relationship of the counseling to decisions made in the motivation arena.

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5. Moving up. Moving up in the Amway business is considered to be an important part of the motivation area of the business. It is important to demonstrate success as the system (not the Amway business) allows. In most cases, moving up is important, in the method designed by the system, as opposed to the willingness to work the business. If a Diamond sponsors a Diamond, that second Diamond should not go Double until the first does. To do so is caused by ego as opposed to a desire to help others. It also causes anxiety with relation to the tool business. Although a formula has been developed so that Diamonds in depth get their fair share, there is some concern about Double Diamonds in depth.

SUMMARY

There is a major economic force at work with the tool business. Anything that is done by the corporation that will cause conflict or competition with this business could cause a major split. This business will crumble under its own weight for the following reasons.

1. Rights of the Directs. People are becoming more sophisticated about the Amway business. A lot of this sophistication has to do with the fact that Amway is no longer a "closet" business. A lot of people have heard of it and have talked about it. The biggest fear that Diamonds have in this system is that Directs will take Rich's speeches seriously, become "little Napoleon," and cut off their ability to move the motivation business downline. This has happened in some cases already and could happen many more times.
2. Greed. A continuing promise to all Directs in this system is that they will do as well (financially) or better than Diamonds in the system today. This may not always be possible. There have already been challenges with Diamonds in depth, and now Double Diamonds are going to break, which will further break up the continuity of the system. If someone elected to do so, he could go off and do his own thing without the line of sponsorship. The loyalty, trust, and love would already be built. Ego could destroy the traditional system. The system has encouraged "sponsoring up" so much that in many cases, the downline leader is smarter, more ambitious, and more ego bound than the upline.
3. The tool business (motivation) is illegal. If I understand the MLM system, there are certain parameters that confirm its legality. Unlike the Koscot method of marketing, the MLM system moves a product to an ultimate consumer outside of the business structure; i.e., a customer. Although the Amway business is legal (no question), the tool business is not (my conclusion).
 - a. It is a pyramid. It sells only to those who are involved in its structure.

- b. It may violate tax laws. It is hard to determine whether or not proper sales taxes are paid (especially in the state of Washington).
- c. A real danger of inventory loading without the protection of a buy back rule exists. This has already occurred (Mackey). It will happen again.
- d. It could be construed as an employer/employee relationship.
- e. It is not a free enterprise opportunity. A downline Direct is not to compete with an upline Diamond.

The motivation business is getting larger than expected. None of the major participants really wishes to deal with it in a detail sense. With proper prodding, this business will fail.

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I

WHEELER UPHAM

A PROFESSIONAL CORPORATION

ATTORNEYS

SECOND FLOOR, TRUST BUILDING

40 PEARL STREET, NW

GRAND RAPIDS, MICHIGAN 49503

ESTABLISHED 1883

GORDON B. WHEELER

1904-1986

BUFORD A. UPHAM

1910-1996

THOMAS A. KUIPER

TELEPHONE (616) 459-7100

FAX (616) 459-6366

December 19, 2003

kuiper@wheelerupham.com

Scott Larsen

Re: Team of Destiny

Dear Mr. Larsen:

I am writing on behalf of Team of Destiny and, in particular, in response to your December 12, 2003 e-mail correspondence and the two voice mail messages that you left with me on December 17, 2003 and December 18, 2003. In your voice mail of December 18, 2003, you inquired whether you and Team of Destiny "were straight" with each other, and that you would consider any and all concerns Team of Destiny may have had with you resolved if you did not receive a reply. Please be advised that Team of Destiny does not consider the issues between you and it resolved in any manner despite the recent, minimal efforts made to change your defamatory website.

In your December 12, 2003 e-mail correspondence to me, you indicated that you desired to "quickly mitigate" the situation with Team of Destiny, that you "can be most accommodating," and that I should speak directly to you in order for you to make changes directly to your website or sites. Therefore, please consider this correspondence Team of Destiny's only informal request to you to completely remove your Team of Destiny website prior to instituting formal litigation and obtaining global injunctive relief.

Team of Destiny is and always has been a legal business. There is no court case, ruling, opinion, pronouncement, or determination that exists in any jurisdiction or venue that states or even suggests in the slightest way that Team of Destiny is an illegal business. Despite that undisputed fact, your website has as its sole purpose the dissemination of the singular notion that Team of Destiny is an illegal pyramid and an illegal business. This express or implied statement is categorically false and violative of the law. In no uncertain terms, this unlawful action must stop. I note that even though you recently changed the title of your website to remove the word, "illegal,"

Scott Larsen
December 19, 2003
Page 2

a search on Google and/or Yahoo still generates the search result, "TOD an illegal business." This too must stop.

From your voice mail messages, you appeared interested in avoiding litigation. Likewise, Team of Destiny is not interested in engaging the court system to stop your wrongful conduct, but rather prefers to resolve this matter informally without the need for court intervention. Team of Destiny stands ready and confident, however, to pursue formal litigation with you if the requests set forth in this correspondence are not met with your compliance. The choice, then, is yours whether to invite or avoid litigation.

Team of Destiny demands the following to avoid litigation. First, no later than December 26, 2003, you must contact Google, Yahoo, and any other internet search engine to remove the search result, "TOD an illegal business." Second, by December 31, 2003, you must close down any website maintained or controlled by you that references Team of Destiny. Last, you must contact any other website that references your current website and ask for the removal of any such link. If not, Team of Destiny stands ready to file suit and seek complete injunctive relief that will order you to stop publishing any statements about Team of Destiny and to retract any prior statements made to any person or entity about Team of Destiny.

As stated above, the Team of Destiny is a legal business founded on our country's principles of honesty, hard work, and free enterprise. You have never met or spoken with Orrin Woodward, Chris Brady, Tim Marks, or others involved in the Team of Destiny and it remains somewhat of a mystery why you insist on violating State and Federal law when you have never spoken with the individuals you seek to disparage. Be that as it may, the time has come for you to stop your illegal conduct if you wish to avoid litigation. My client looks forward to your compliance with the demands set forth above.

Very truly yours,

WHEELER UPHAM, P.C.

/s/

By

Thomas A. Kuiper

TAK/kja

J

Main Identity

From: "Tom Kuiper" <kuiper@wheelerupham.com>
To: "katie alvarez"
Sent: Wednesday, December 24, 2003 10:00 AM
Subject: Fw: Team of Destiny

Katie: please print out and put in the Larsen subfile. Tom

----- Original Message -----

From: "Scott A Larsen" <scott.larsen@juno.com>
To: <alvarez@wheelerupham.com>; <kuiper@wheelerupham.com>
Cc: <scott.larsen@juno.com>
Sent: Tuesday, December 23, 2003 5:13 PM
Subject: Re: Team of Destiny

> Dear Mr. Kuiper,
 > Thank you for the letter of December 19, 2003.
 > On my pages critical of the Team of Destinyâ business, at no time have I
 > stated that a court or an attorney general has ruled TOD to be an illegal
 > business. I'm sorry if you misinterpreted what I wrote. In order to
 > prevent this type of confusion in the future, I have made a modification
 > at the beginning of the page to state:
 > "As with most any MLM opportunity, TOD has been given default status of
 > "legal and in good standing", which is valid until there is an action by
 > an attorney general or a court. To my knowledge TOD has never been ruled
 > an illegal business by an attorney general or a court. Due to the sheer
 > number of MLM businesses and the limited resources of regulators, only
 > the most abusive schemes ever get prosecuted."
 > This should help others like you avoid confusion. Logically if TOD were
 > already ruled illegal, as you allege I state or stated on my site,
 > wouldn't the casual observer question the issue since TOD recruiting
 > efforts were still very much active? Additionally, if I were to have
 > claimed that TOD was indeed ruled as an illegal business, would it not
 > behoove me to post the associated court case like I do throughout the
 > rest of the site?
 > I am flexible and accommodating to prevent misunderstandings as you can
 > see from above. But, I will not give up my 1st amendment right to
 > criticize your client's business practices and express my opinion. It is
 > well within my first amendment rights to express my opinion why I believe
 > the TOD Quixtar business practices and the TOD BSM tools businesses to be
 > pyramid schemes.
 > In the various states, whether by case law or actual legislation, there
 > are generally several "privileges" that can get defamation cases
 > dismissed without proceeding to trial. These include the allegedly
 > defamatory statement being one of opinion rather than fact; or being
 > "fair comment and criticism", as it is important to society that everyone
 > be able to comment on matters of public interest.
 > Secondly, truth is always a defense in any defamation suit. I believe I
 > have sufficient exhibits, TOD IBO testimony, and Amway precedent case
 > history, with which to compare TOD, to support my opinion and criticism.
 > I will be entitled to discovery of financial records about TOD retail

- > sales volume, BSM volume to support my opinion that the majority of
- > Quixtar product sales and profits and BSM sales are derived from those
- > participating in the scheme.
- > The case *Amway Corp. v. Procter & Gamble Co.*, 1:98-CV-726, 2001 U.S.
- > Dist. LEXIS 14455 (W.D. Mich. 2001) would not doubt be very similar in
- > nature to any suit your client would wish to pursue against me. As in the
- > P&G case the, the issue before the court would be whether there was any
- > evidence to support my statements that TOD is an illegal pyramid scheme
- > in making out a "truth" defense to a TOD tortious interference cause of
- > action based on defamation.
- > TOD is no doubt a "public" figure given its widespread promotional
- > efforts inserting itself into the public realm and its intimate
- > relationship with the already controversial Amway/Quixtar and
- > line-of-sponsorship BSM businesses. In this case TOD would also have the
- > burden to show malice on my part.
- > *Id.*, 2001 U.S. Dist. LEXIS 14455 at *9. P&G and Dinsmore moved for summary
- > judgment on Amway's claim on the ground that Amway is a "public figure"
- > for purposes of the 1st Amendment and had the burden of proving "malice"
- > on the part of P&G and Dinsmore. *Id.* at *27. The district court granted
- > summary judgment to the defendants, holding that there was no evidence
- > that the defendant acted with reckless disregard for the truth. *Id.* at
- > *35.
- > For TOD to prove malice, I must possess some special information that
- > would otherwise contradict that TOD is not a pyramid scheme. I do not
- > have privileged information such as the actual retail to total sales
- > ratio of the TOD group for both BSMs and Quixtar product, which might,
- > but I sincerely doubt, show that the majority of sales come from retail
- > customers outside of the compensation scheme.
- > I have valid reasons to believe it is an illegal pyramid scheme. Those
- > reasons are outlined on the page TOD is complaining about and others
- > linked to it, as well as the Corporation's and Mr. DeVos's own
- > statements. Thus, it will be impossible to prove "malice" even if it was
- > proven that the majority of profits come from those outside the
- > compensation scheme.
- > Discovery of TOD and Quixtar will quickly reveal the true retail sales
- > ratio from products and BSMs. Having this ratio we could apply the FTC's
- > definition of a "prohibited marketing scheme" to TOD and determine if it
- > fits or not - from *FTC v. Five Star Auto*:
- > 'Prohibited marketing scheme' means a pyramid sales scheme, Ponzi scheme,
- > chain marketing scheme, or other marketing plan or program in which a
- > person participates under a condition that he or she make a payment,
- > directly or indirectly, to receive the right, license or opportunity to
- > derive income as a participant primarily from: (1) the recruitment of
- > additional recruits by the participant, program promoter or others; or
- > (2) non-retail sales made to or by such recruits.
- >
- > 'Retail Sales' means sales of products, services, or Business Ventures by
- > Defendants, their successors, assigns, agents, servants, employees, and
- > those persons in active concert or participation with them to third-party
- > end users. Retail Sales do not include sales made by participants in a
- > prohibited marketing scheme or multi-level marketing program to other

- > participants or recruits in that scheme or program or to such a
- > participants' own accounts.
- > My experience and knowledge of defamation matters since Mr. Land's
- > complaint has grown significantly. I am no longer intimidated by threats
- > of a suit as I know the law and know I would prevail.
- > I will work with you and your client in any way possible to prevent
- > misunderstanding, as I have above, but I will be exercising my free
- > speech right and keeping the pages active.
- > With Best Regards,
- > Scott Larsen

K

Main Identity

From: "Scott A Larsen" <scott.larsen@juno.com>
To: <alvarez@wheelerupham.com>;
Cc: <scott.larsen@juno.com>
Sent: Monday, January 12, 2004 5:10 PM
Subject: updates to my site

Dear Mr. Kuiper,

I am in the process of updating my site about Team of Destiny and I believe I have removed all material, which I believe you might consider a copyright infringement.

Please review my site to see if you see anything else you believe to be a copyright infringement please feedback to me so I can remove it.

With best regards and a happy new year,

Scott

L

WHEELER UPHAM
A PROFESSIONAL CORPORATION
ATTORNEYS
SECOND FLOOR, TRUST BUILDING
40 PEARL STREET, NW
GRAND RAPIDS, MICHIGAN 49503

GORDON B. WHEELER
1904-1986
BUFORD A. UPHAM
1910-1996

ESTABLISHED 1883

THOMAS A. KUIPER

TELEPHONE (616) 459-7100
FAX (616) 459-6366

January 14, 2004

kuiper@wheelerupham.com

Scott Larsen

Re: Team of Destiny; your website

Dear Mr. Larsen:

I am writing in response to your January 12, 2004 e-mail to me wherein you indicated that you were in the process of updating your website concerning Team of Destiny. You indicated that, you believed, you had removed all material that might constitute a copyright infringement. You also indicated that I should review your site to see if there is anything else that I believed constituted a copyright infringement, and if so, to deliver that information to you so that you could remove it from your site. Accordingly, I am writing in response to your invitation and to inform you that, in fact, I believe your website still violates copyright and other laws in numerous respects. I have set forth below my clients' demands to head off litigation.

First, it appears that you attended a TOD open meeting in December 2003 and surreptitiously tape recorded that meeting. That meeting is protected by copyright laws and the tape recording of the meeting violates the Federal Anti-Wiretapping Statute. Accordingly, you must immediately remove from your website the portion concerning the "critique of a TOD open meeting" and the audio portion that accompanies it.

Second, the eight tapes that you mention on page three of your website violate copyright law. All of the tapes mentioned are copyright protected and any rebroadcast of them is prohibited, even if it is simply you providing a thumbnail of what the copyright protected tape actually states. Accordingly, you must remove each of these references on page 3.

Next, you must remove the reference at the bottom of page 3 and top of page 4 from a TOD seminar on November 9, 2002. In addition, you must remove the quote from the TOD copyright protected website contained at the top of page 4 of your website.

Scott Larsen
January 15, 2004
Page 2

Next, on page 4, you must remove the reference to TOD tape PPS-18 concerning Don Freeze's statements.

Next, on page 5 of your website, you reference 6 TOD tapes. Each of these tapes are protected by copyright and your comments concerning content contained in those tapes must be deleted.

Next, you must delete the images and charts contained on pages 6 and 7 of your website. Please note that the images and charts utilized by you are not taken from Orrin Woodward's unprotected website, as you state. In fact, Orrin Woodward's website contains a conspicuous warning that it is protected by copyright. Accordingly, the image and chart on pages 6 and 7 must be removed.

Next, the bottom of page 8 of your website contains an audio portion from Orrin Woodward and a reference to a copyright protected tape by Don Freeze. Both of these portions must be removed from the website.

Next, at the top of page 9 of your website, there are three references to TOD tapes that are protected by copyright. The portions concerning Bill Lewis, Orrin Woodward, and Chris Brady speaking in a copyright protected tape must be removed from your website.

Removal of all of the above-mentioned portions of your website would satisfy my client concerning copyright violations contained in your website. In addition, Orrin Woodward would like the information concerning his mortgage amount and address removed from your website.

Last, my clients would like all specific references to Team of Destiny, Orrin Woodward, Chris Brady, or any other member of TOD removed from your website. Instead, they request that the website be made non-TOD specific and, instead, simply refer to groups within Quixtar in a general sense.

I and my clients will continue to monitor your website and I look forward to acknowledgment, either directly from you or through the monitoring of your website, that the requests set forth herein have been honored by you. Thank you in advance for your anticipated cooperation in an attempt to avoid litigation.

Very truly yours,

WHEELER UPHAM, P.C.

/s/

By


Thomas A. Kuiper

TAK/kja

M



Is Team of Destiny® a Pyramid Scheme? Compare for Yourself

Link to the Fair Use Provision of the US Copyright Law. 

There is a long standing debate about Amway (now Quixtar) and their lines-of-sponsorship being pyramid schemes. There have been numerous court cases, filed by former IBOs as high as a Crown and Dou Diamond, since the 1979 FTC case, which cast doubts about the legalities of Quixtar and the Line-sponsorship tape and seminar businesses.

Team of Destiny® Inc. (TOD) is a Michigan corporation. TOD is a line of sponsorship in the Quixtar business opportunity (formerly Amway). TOD sells business support materials (BSMs) to its downline IBOs building Quixtar businesses. TOD distributes the profits from their BSM sales to participants as their own Multi-Level-Marketing (MLM) opportunity. It is very easy to find examples in TOD materials ; practices, which have caused other MLMs legal problems. See the pyramiding precedent cases examples.

As with most any MLM opportunity, TOD has the default status of "legal and in good standing", which is valid until there is an action by an attorney general or a court. To my knowledge TOD has never been ruled an illegal business by an attorney general or a court. However, due to the sheer number of MLM businesses and the limited resources of regulators, only the most abusive schemes ever get prosecuted.

The Michigan Attorney General has a page describing the characteristics of illegal pyramid schemes. Since TOD is also a Michigan Corporation it is interesting to compare what the MI Attorney General describes and what TOD business building training materials teach. Read the Attorney General's page ; see how closely the "Team of Destiny ® " meets each characteristic. Most AG's will not take action against you unless there are complaints, so make your voice heard if you feel you were part of an illegal pyramid scheme. Here is the link to file a complaint.

Rebuttal to Ken McDonald's "The Facts about Quixtar"
Rebuttal to Orrin Woodward's explanation of "the Member Client and 70% rules"

All text in "***red italics***" is from the Michigan Attorney General's page on pyramid schemes.

"Multi-level" or "network" marketing is a form of business that uses independent representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits."

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."

Retailing goods and services to non-participants is the least stressed item of TOD. Quixtar commission:


fact are paid on all sales regardless even if the majority is not retail sales. Having significant sales to participants of the compensation scheme is one major factor separating a legitimate MLM from an illegal pyramid, as stated above by the Michigan Attorney General. Court opinions state that at least 50% of sales should be from those not involved in the compensation program. From the following exhibits one can see that the main reason IBOs should buy the Quixtar products is so that they can participate in the compensation scheme. Listening to TOD's tapes, one finds a major focus is to just sell to "participants" in the compensation plan, which according to the Michigan Attorney General, the 1979 Amway FTC opinion by Amway Co-founder Rich DeVos, and other court precedents is an illegal practice. The following evidence of this theme comes from the TOD leaders.

It's About Buying from Yourself, The Why, When and How of Generating PV, Become a Prosumer!!!!, How We Generate PV, Generating Point Value, PV: The Bottom Line, Are these products cheaper than what I pay now?, I Would Buy On-line No Matter What, What's in Your Bathroom

These links above used to get you to the unprotected portion of the TOD website. Ask the person prospecting you to see these pages to see how heavily they promote "buying from yourself".

It seems after the appearance of this page in early October of 2003 TOD had a change of heart and has added two new pages to their web site promoting retailing of products. These topics were added in mid-October and November of 2003. [A Few Ways to Develop Member/Client PV] [A Balanced Business Includes Retail Sales]

TOD's open meeting still say nothing about retailing and in one example in December 2003 never even mentioned the Member/Client option. Critique of a TOD open meeting.

Amway Co-founder  Rich DeVos freely admits in his March 1983 Directly Speaking Tape that a "wholesaling only" business is illegal:

"I guess if I'd been told all these years you don't have to sell the product, all you have to do is wholesale it to people, then I guess maybe I wouldn't pay any attention to pricing, either. But that's an illegal business. And those of you that preach it and foster it and talk about it are operating illegally. I don't know how often I have to tell you that. I don't know how long I have to keep insisting that you talk upon people retailing the product and gaining customers and servicing them faithfully only to have some of you just throw it up in the air and say, "That's not our way. We don't teach that method." I got to tell you, you're running the wrong method. You see, once you'd accept the fact that you must sell the product at retail to have an honest business, then you suddenly are very concerned about the pricing of the product."

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from recruiting other people to market the program."

Quixtar has the "Member/Client" requiring IBOs to have a least 50PV or \$100 in sales in order to obtain bonuses on downline volume. The rule can be easily circumvented by "self reporting", by pay around of the bonus by the Platinum, and creating bogus Member accounts and buying the minimum from that.

TOD actually consists of two different pyramid schemes. The first being the Quixtar products business, when retailing of products to people outside the Quixtar compensation scheme is not at least 50% of sales.

as judged by the recent court precedents. The second is the TOD Business Support Materials pyramid.

TOD sells Business Support Materials (BSMs) consisting of audiocassettes, and seminars to train their IBOs. TOD's BSM pyramid promotes the Quixtar "Product Pyramid". The content of TOD's audio cassettes support the wide spread teaching that the business sells mostly to its participants and very little non-participants.

1. From the tape, PPS-41, Diamond IBO Tim Marks makes repeated remarks about the importance of "buying from yourself".
2. From the tape, PPS-34, Sapphire IBO Jeff Granger, warns IBOs to not let it slip out in the contact that it is a "huge buying club", but to focus on getting people to the plan showing.
3. From the tape, TOD-132 Diamond IBO Terry Brady promotes the buy from yourself model (24 min)
4. From the tape, PPS-25, Founders Diamond IBO Orrin Woodward, explains how even if Quixtar prices were higher, that buying from your own business would still be beneficial due to the pyramiding of downline bonuses.
5. From the tape, TOD-105, Platinum IBO, Renee Oettinger explains that a "Power Player" needs to buy 150PV from their own store.
6. From the tape, PPS-40, Sapphire IBO, Holger Spiewak, says to change your buying behavior and commit to 150PV per month.
7. From the tape, TOD-5, Sapphire IBO, Ed Zentner, says it is not hard to change one's buying habits to earn an easy 150PV.
8. From the tape, TOD-132, Diamond IBO Terry Brady explains the concept of "negative products" and the confidence you show to others when you buy your own products.

Have the person prospecting you loan you some business building tapes to find out for your self.

"Some companies call themselves multi-level marketing when they are really operating pyramid schemes that violate Michigan's Pyramid Promotion Act."

"Be skeptical of plans that claim you will make money through continued growth of your "downline" -- the commissions on sales made by new distributors you recruit rather than through your own sales of products."

1. From a TOD seminar 11/09/2002:
"Focusing on PV will not work. You must focus on building numbers"
 TOD Emerald IBO, Bill Lewis (PV = Point Value, obtained by product sales)
2. From the TOD web Site:
"Team goals are very important because this is a business of "building numbers" of people attending the events."

TOD stresses building "numbers", or numbers of people attending events because the selling

Tools, or BSMs is much more lucrative than selling Quixtar products. TOD Cassette tapes cost each or \$12 for the weekly standing-order program, yet tapes are reproduced in bulk for less than \$0.50 each. There is also one Standing Order Leadership tape for \$6. The messages on the tapes are usually recorded at TOD functions. In addition, TOD also sells the "Top 50 pack" of training tape for new IBOs for \$300.

TOD weekly meetings cost \$5 per person, monthly events cost \$25, and the quarterly events cost \$90-\$100, not including travel and accommodations. I attended a TOD open with 50 IBOs and maybe 10 non-paying guests. At the end of the meeting I asked the hotel clerk how much the room cost. Since the room only cost \$50, TOD pocketed \$200 profit on the room. When you go to a TOD open, ask the hotel how much the room costs. Each TOD IBO pays \$5 to attend the open.

Access to the TOD Web site costs \$40 to set up and then \$10/month. IBOs are also encouraged to purchase a voice messaging service for about \$25/month.

The BSMs business is very profitable to the Diamond TOD leaders, and is much more profitable than their Quixtar businesses. It is a multi-million dollar enterprise, which has *few or no real customers outside of their IBO participants*. The profits from recruiting new IBOs on their system are much more profitable than the sales attributable to these new IBOs.

"Avoid any program that focuses more on recruitment of new people rather than the sale of a product or service to an end-user consumer. If the opportunity for income is primarily derived by recruiting more participants or salespersons rather than by selling a product, the plan probably is illegal. Several courts interpret greater pressure on members to sponsor new recruits than to market company merchandise as evidence of an illegal pyramid."

"Sometimes, new "distributors" are persuaded to purchase inventory or overpriced products/services when they sign up."

Sapphire IBO Don Freeze teaches on the TOD tape PPS-18 that the Quixtar Double-X vitamin is cheaper than the Centrum brand on a cost-per-use basis. **Double-X costs \$48.15 for 31 tablets or \$1.55 each.** The multi-vitamin **Centrum costs 6.3 cents** at Wal-Mart. The Quixtar Double-X vitamins are 24 times more expensive than the Centrum. About \$22 per box, or \$0.72 per tablet goes to the pyramided bonus pool. Quixtar also sells a Multi-vitamin "Nutrilite" similar to Centrum, which cost **15 cents each**. This is still over twice the price of Centrum. Almost all of the price difference goes to fund the pyramided bonus pool.

At the TOD open meeting I attended, the cost to start up was stated to be \$245. However, the cost to sign up with Quixtar as an IBO is only about \$50. Almost 80% of the sign up price is stock the IBO signs up with products he hasn't personally chosen.

Quixtar has already warned Orrin Woodward about inventory loading of Nutrilite vitamins to new recruits. Here is the letter from Quixtar to Mr. Woodward in response to a complaint to the Michigan Attorney General. Page [1](#), [2](#), [3](#), [4](#). Page three mentions the food supplement inventory loading.

"Beware when the products or services are simply vehicles for recruitment. The products may be gimmicks and/or overpriced, but even high quality products may serve as a cover for recruitment activities."

The high cost of the products is a common objection to the business. Founder's Diamond Orrin Woodward on PPS-25 "Handling Objections" says that one could treat the price premiums *as an investment* that will be paid off, after they show the plan and recruit some other people. The tape TOD-52 "Follow Through" teaches another method to handle the ever-present "high prices" objection.

"Be cautious about specific income or earnings claims. Many programs boast about the incredibly high earnings of a few top performers ("thousands per week" or a "six figure income"). The reality is that most of the people recruited into the organization are not making anywhere near those amounts and most actually lose money."

1. Founder's Diamonds Orrin Woodward on tape TOD-25 builds the dream, and asks what you would do *"if you could make \$10,000/month from this business"*.
2. Sapphire Don Freeze on tape PPS-42 states:
"Wealthy is defined as making over a million bucks a year. Who is up for that? Ok good. You see Orrin does, Chris does, and Mark is on his way to doing it..."
3. Founder's Diamond Orrin Woodward on tape PPS-20 states:
"When we bring Chris and Terry Brady there will be four people ..that are multi-millionaire. When is the last time you sent a weekend with four multi-millionaires for \$100?"
4. Diamond Chris Brady on tape PPS-39 states:
*"How much money does Orrin really make? I know for sure it's ..LOTS".
"Orrin has a seemingly endless supply of money and free time"
"I've made \$4,000 for each plan I've shown."
"Buy from your self and you'll be a millionaire"*
5. Sapphire IBO Bill Lewis on tape PPS-36 states:
"You're offering them a chance to be a millionaire".
6. Sapphire IBO Matt Abraham, on tape PPS-38 states:
"... Tim Marks ...25 months to qualification of millionaire status (ie Diamond)."

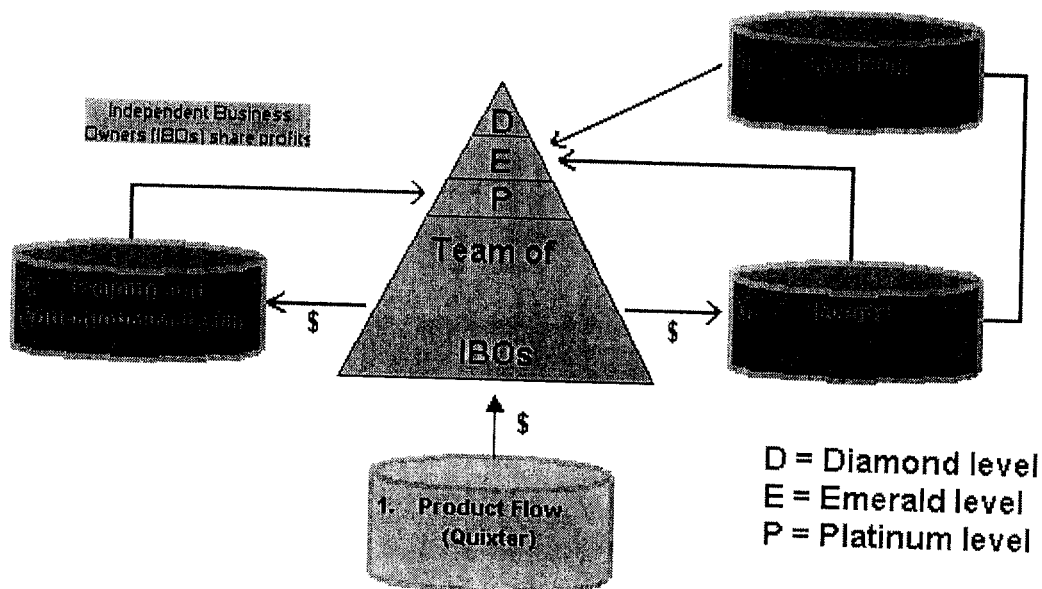
Maybe Mr. Brady and Mr. Woodward would care to show *"the fruit on their tree"* and publish the Quixtar 1099's like Dexter Yager used to make and hand out copies of his bonus checks. They imply they make millions from Quixtar but Quixtar says the average Founder's Diamond makes \$227,400/year; which is much less than the millions implied. Where are the copies of Orrin's checks?

If you want Orrin's real "debt-free millionaire status" you can get it here at the Genesee County Clerk in Michigan (search Woodward, Orrin A): It's interesting that Orrin's \$1.05M condo appears to have been purchased with an \$860,000 mortgage.


"Beware when presented with "testimonies" from other distributors. These "success" stories rarely reflect reality."

Chris Brady, and Orrin Woodward are Quixtar "Founder's Diamonds. According to 2001 Quixtar

data, the average IBO at this level grossed \$227,400 from Quixtar, not the millions implied. It would be easy for Quixtar to confirm if, in all of Mr. Woodward's 3 year Diamond career, he has even made a sum total of \$1 million from the business. Mr. Woodward might however make that when the profits from the Team of Destiny illegal BSM pyramid are included.



The image above shows the additional sources of income IBOs can eventually have from the very lucrative TOD BSM's pyramid business selling tapes, books, seminars, and obtaining speaker's fee participation in the profits from the tools business is based upon one's success in building a Quixtar organization, and convincing downline IBOs to consume these items. These items have no customer outside of IBOs or prospects. The BSM profit sharing plan creates an economic incentive and a conflict of interest for IBOs to recommend the use of BSMs to their downline IBOs for the sheer sake of generating commissions without regard for the economic consequence to their downline IBO's personal profitability. This creates an inherently fraudulent scheme.

In a 1983 audio taped speech entitled "Directly Speaking," Amway co-founder  Rich DeVos stated

Let me talk to you about the legal side, beyond price fixing, that deals with pyramids, deals with the illegal operation of a business that does not have an end consumer, where product is not retailed. That would include all books and tapes. The sad news, folks, is when those things go out that way and they become excessive, beyond my ten or twenty percent theoretical guideline, hopefully acceptable, to where it's a reasonable support system, but beyond the reasonable element, then it becomes an out and out illegal pyramid.

... when your tape volume becomes so great in relationship to your regular business, if not used as a support for the Amway business, - will oftentimes be an illegal business - in that it could be called a pyramid - because, - does not get sold to the consumer. Which means all the tape business does is take money out of the organization, and because the final product can't retail it, it never brings money into the organization. Now, I'm not arguing the value, - we accept the fact that motivation is vital to this business. Good, honest motivation is important to the business. But, it must be motivation that builds the business - not becomes a business in itself. And some of you have made it a business in itself. . . . And I am implorin

of you to do two things. Number one, clean up your act. And number two, if you know people who are continuing to do things improperly after all of this, then I want you to write us a letter and just tell us who's doing it.

Directly Speaking, January 1983, Rich DeVos, Amway Cassette Series VA-2160.

In January 1983 the famous internal Amway "Postma" memo it stated:

The Tool business (motivation) is illegal. If I understand the MLM system, there are certain parameters that confirm its legality. Unlike the Koscot method of marketing, the MLM system moves a product to an ultimate consumer outside of the business structure; i.e., a customer. Although the Amway business is legal (no question), the tool business is not (my conclusion)

- a. It is a pyramid. It sells only to those who involved in its structure.*
- b. It may violate tax laws. It is hard to determine whether or not proper sales taxes are paid (especially in the state of Washington).*
- c. A real danger of inventory loading without the protection of a buy back rule exists. This has already occurred (Mackey). It will happen again.*
- d. It could be construed as an employer/employee relationship.*
- e. It is not a free enterprise opportunity. A downline Direct is not to compete with an upline Diamond*

Another Internal Amway Memo from 1982 states:

The following, important statement from Hogan & Hartson's 28 page legal evaluation of the legal risks inherent in selling and distributing non-consumable "products" through a multi-level system, has helped us greatly in getting the attention of the "systems" entrepreneurs:


"Because of the extensive and extremely adverse publicity associated with Glenn Turner's "Dare to be Great" operation -- **an operation based primarily on the sale of motivational tapes** -- it must be recognized that any multi-level sales plan which uncovers and emphasizes sales of motivational literature or tapes is likely to attract the attention of enforcement authorities!!!"

Reference: "Dare to be Great" motivational supplies pyramid cases [Kentucky] [Virginia] [SEC]

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."

Again, in the Quixtar product pyramid and the TOD motivational supplies pyramid, commissions are paid on personal consumption sales to the schemes' participants, despite the fact that the Michigan Attorney General says they should only be paid on sales to non participant end-user consumers.

"Pyramid promoters are masters of group psychology. Recruitment meetings create a frenzied, enthusiastic atmosphere where group pressure and promises of a large sum of money play upon people's greed and fear of missing a good deal."

 Orrin Woodward at Quixtar Live

"Promoters also openly discourage thoughtful consideration and questioning of the scheme."

Don Freeze on PPS-9 "You must submit to the system"

At recruitment meetings you might hear phrases like "this is a ground floor opportunity which will change your life", "opportunities don't go away, they go to other people", and "if you act now and work hard for three to five years, you can retire and live off of the residual income."

Bill Lewis on PPS-36 says "you can make \$120,000/year for life"

Founder's Diamond Orrin Woodward, on PPS-25 states:

"by working the business 3-4 hours a night for 5-6 days a week, for two years and after two years you will retire with triple your salary with a growth rate of 25%-50% every quarter"


"Another warning sign is a confusing compensation plan."


Diamond Chris Brady on PPS-39 "Every year it gets bigger... we don't even know what we make .. What do you make Chris? I have no idea.....I don't understand it"

Here is the [link to file a complaint](#) with the Michigan Attorney General if you think you were conned. Addresses for the complaint are at the bottom. TOD is also a member of the [Better Business Bureau](#). You can also [complain to them](#). You will need the information below.

Team of Destiny Inc. registered in Michigan Num: 30132A
WOODWARD INTERNATIONAL NETWORKING SYSTEMS,
INCORPORATED
Agent: ORRIN A WOODWARD
105 E SECOND ST STE 1
DAVISON MI 48423
The Address is from the [State of Michigan website](#)

Quixtar Corporation
5101 Spaulding Plaza
Grand Rapids, MI 49355
616-787-7800

[Back to the home page](#) 

[Link to the Fair Use Provision of the US Copyright Law.](#) 

TOD boasts a membership of 30,000 IBOs yet they recognize about 75 platinum distributorships. Their ratio of IBOs to platinum distributors must be one of the lowest in the business coming in at 1 in 400 versus the 2001 Quixtar average of 1 in 235. If TOD just maintained the Quixtar average (.4242%) they should have over 127 Platinum IBOs for a membership of 30,000 IBOs.

Help me put together the TOD line of sponsorship.

	IBO	Upline Platinum
Founder's Diamond	Chris and Terri Brady	Orrin Woodward

Diamond	Tim and Amy Marks	Bill Lewis
Sapphire	Matt and Cheryl Abraham	Orrin Woodward
Platinum	Mike and Lisa Barrett	
Platinum	Kirk and Cassie Birtles	
Platinum	Eric Blomdahl	
Platinum	Joen and Beth Ann Bodtker	
Founder's Platinum	Dwayne and Janet Boyd	
Founder's Platinum	Dean and Tracie Clouse	
Platinum	Ron and Sara Day	
Platinum	Shaun and Lana Denman	
Founder's Platinum	Bob and Mary Dickie	
Platinum	Tom and Kathy Eiden	
Platinum	Mike and Carol Foos	
Platinum	Darrin and Tressa Farough	
Sapphihre	Don and Chris Freeze	Orrin Woodward
Platinum	Mike & Viola Gowen	
Platinum	Kevin and Caroline Grabowski	
Sapphire	Jeff and Barb Granger	
Emerald	George and Jill Guzzardo	
Platinum	Mark and Rita Haas	
Emerald	James Halter	
Platinum	Josh and Courtney Hrinik	
Founder's Platinum	Bob and Deb Hemmila	
Founder's Platinum	Doug Huber	
Founder's Emerald	Mark and Anna Huber	Chris and Terri Brady
Platinum	John and Marirose Ilkka	
Emerald	Mike and Nancy Jones	
Emerald	Steve and Corrie Jones	
Founder's Platinum	Mike Kassem	
Platinum	Leon and Jan Kelly	
Platinum	Wayne and Leanna Kircher	
Platinum	Larry Kirkley	
Platinum	Kyle and Serena Langston	
Emerald	Bill and Jackie Lewis	Mark and Anna Huber
Platinum	Jason and Barb MacSuga	
Sapphire	Dan and Corrina Madar	
Platinum	Basam and Carrie Malik	
Platinum	Jim and Dolores Martin	
Platinum	John and Diana Martinez	
Platinum	Dave and Tracy McDade	
Sapphire	Joe and Jane McGuire	
Platinum	Mike and Camille McGuire	
Founder's Platinum	John and Melanie Morgan	
Platinum	Steve and Beth Morgan	
Platinum	John and Lynn Mossner	
Platinum	Dan and Vicki Newbauer	
Founder's Platinum	Paul and Lois Nobles	
Platinum	Renee Oettinger	
Platinum	Tony & Gina Padilla	
Sapphire	Nik and Sham Palomaki	

Platinum	Chris Park	
Platinum	Nate and Jennifer Patmos	
Sapphire	Mark and Jenn Paul	
Founder's Platinum	Shawn and Shari Pillsbury	
Platinum	Colby and Kim Potts	
Platinum	Aron and Mary Radosa	
Platinum	Greg Rau	Orrin Woodward
Platinum	Michelle Rauschenbach	
Platinum	Rick and Amy Reed	
Platinum	Joe and Donna Rohde	
Platinum	Scott and Missy Russell	
Founder's Platinum	Pat and Lisa Semple	
Platinum	Chris and Heidi Smith	
Sapphire	Holger Spiewak	
Ruby	Doug and Sheri Stroh	
Platinum	Jeff and Rebeka Taylor	
Emerald	Larry and Marsie VanBuskirk	
Platinum	Dan Whiting	
Platinum	Eric and Brandi Wilson	
Platinum	Wendy Yurgo	
Sapphire	Ed and Lynette Zentner	
Founder's Platinum	Matt and Sarah Zimmermann	

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A Team of Destiny® Open Meeting


What is TOD?

I had the opportunity to attend and record a Team of Destiny® open meeting. Typical of all Amway/Quixtar open meetings I've attended, it started 15-20 minutes late. The open meeting paralleled the format taught in Team of Destiny® tapes.

The speaker was Harvey Ostrander who works for General Motors. They did not say where Harvey lived or what his pin level was, but he still garnered a standing ovation when he came in and when he left. Harvey has been with Team of Destiny® 2 years. Harvey is a retread Amway distributor who claimed that "Amway didn't work for him" after three years of work. Harvey surely knows that Quixtar took over the North American Amway distribution business. It is no wonder that Harvey never mentions the Quixtar-Amway relationship since Amway never "worked for him".

As with all open meetings the "dream" came first and took up most of the time in the presentation. He then moved on to Michael Dell's "3-C's" and said how *Orrin Woodward and Chris Brady* (Team of Destiny®) solved the problem of customer loyalty by "bribing" people to buy from their website.  [Listen to Harvey](#). What Harvey fails to mention is the need for a majority of the sales to be made to people who are not participating in the compensation scheme to be not considered an illegal pyramid.

"This the way we do it. We have the Team of Destiny® ...we help you build a group of people...these people are changing their buying habits and shifting some of the money they spend....and teaching others to do the same thing."  [Listen to Harvey](#).

Harvey states that your bonus is based on the volume you generate by "*shopping on the Internet*".  [Listen to Harvey](#). In the presentation, Harvey never mentions acquiring retail customers. He is promoting the business as a "wholesale buying club", which is a violation of Quixtar rules.


8.3.7. Must not say that a successful IB can be built in the form of a "wholesale buying club," where the only products bought and sold are those transferred to other IBOs for their personal use.

Harvey only presents the IBO option and never mentions the Quixtar Member and Client options in the meeting for prospects. He never mentioned the need for retail volume ((M/C rule) to qualify for bonuses. This lack of disclosure might also violate Quixtar rules.


8.3.12. Must not criticize, degrade, de-emphasize or otherwise portray negatively the Client, Member

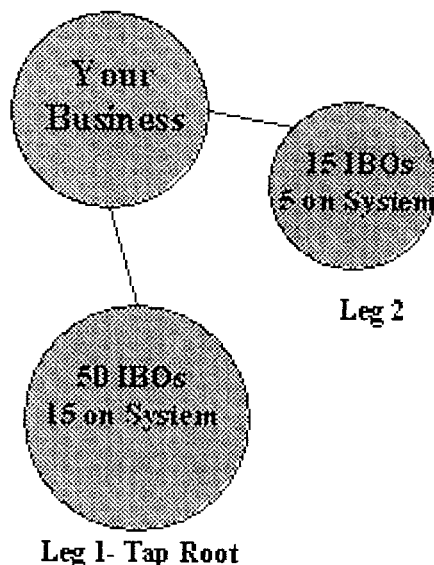
or IBO status. IBOs shall refrain from pressuring or otherwise forcing a prospect into becoming a Client, Member or IBO. IBOs shall recognize the importance of Members and Clients in establishing a retail business. IBOs shall at all times, fairly present the categories of Clients, Members and IBOs and permit the prospect to freely decide what level of involvement they desire.

Harvey also states "He (Michael Dell) says need a website to do business on the Internet. "Ours is www.teamofdestiny.com. We also tie in with several companies...Microsoft, Fry Multimedia, **Quixtar**, and IBM. So we have our website taken care of by contracting with these folks."

Harvey blurs the Quixtar relationship and probably breaks another Quixtar rule by implying that the Team of Destiny® website is the main shopping portal and that Quixtar is a contractor or broker to TOD.  Listen to Harvey.

8.1.6. directly or indirectly indicate that such products are merely one line of products distributed through or as a part of a brokerage operated by a person, company or organization other than the Corporation.

Harvey then lays out the Team of Destiny® depth model of building your first leg with 50 people deep and a second leg 15 people deep (1-50,1-15). Harvey states when you have this structure you will make \$2,000-\$3,000/month.  Listen to Harvey. This structure is much different from the standard 6-4-2 or 9-4-2 model used in other Lines-of-sponsorship.



If each and every IBO in the Team of Destiny® (1-50,1-15) model had 100PV and the BV/PV ratio was 2.5, this example would earn only \$605/month not the \$2k-\$3k claimed.

Quixtar reported in 2002 that the average IBO had only 38.5 PV per month or just 38.5% of the example above. Team of Destiny® is also on record saying that they have one of the lowest average PV per IBO in the business. One could then assume that Team of Destiny's® average PV is below Quixtar's 38.5 PV/IBO/

month. The Quixtar average PV of 38.5 results in a bonus, for the 1-50,1-15 model, that is less than or equal to \$335/month. This is just 17% of what Harvey claims the model should make as a minimum.

How could a Team of Destiny® IBO earn \$2k-\$3k/month which Harvey stated?

Even at a very generous 140PV/IBO, which is 10 PV less than TOD's ideal 150 PV/IBO, and almost 4 times higher than the Quixtar IBO average, this IBO would earn \$1796/month when including the \$10,000/year Q-12 bonus. If the IBO did not qualify for the Q-12 bonus his average income would be below \$963/month



If we increase the sales per IBO to 150 PV then something remarkable happens. The 50 person leg goes "direct" breaking away from the group since it is 7500PV. As a result, the IBO's income plummets 63% because a majority of the volume has left his group due to "breaking a new direct". This IBO doesn't have 2500PV in side volume (width) to collect any portion of the 4% leadership bonus. The IBO ends up collecting 25% on his personal 150PV and 10% of the downline 5625 BV, for a total of \$665/month down from \$1796/month.


Team of Destiny® teaches building depth as the key to stability but if you play with the various bonus scenarios, as I did here, you can see that the Team of Destiny® depth method lacks profitability/IBO as well. It can be easily proven that the income potential of the 1-50,1-15 model is exaggerated.

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8.3.5. May use only those earnings and/or bonus representations based on their own personal experiences, provided that they at the same time disclose the average profits, earnings and sales figures and percentages as published from time to time by the Corporation.

The Average Monthly Gross Income for "Active" IBOs was \$115. Quixtar SA4400


Harvey then goes on to "detail" the income of a diamond and an executive diamond IBOs as "*way mo*" and "*way, way, way mo*". Harvey avoids getting himself in trouble by not telling us how much a Diamond and Executive Diamond IBO actually make. Maybe he really doesn't know.  Listen to Harvey. All we know is that the average Diamond makes  \$150k/year from Quixtar before expenses.

Now just before the open meeting ended, there was a pitch to sell tickets (\$90 each) for the next upcoming function called "Winter Leadership" on January 24, 2004 in Toledo, OH. The featured speakers are Orrin Woodward (Team of Destiny®), and Chris Brady (Team of Destiny®), Tim Marks (Team of Destiny®) and Casey Combden (Interbiz). It is interesting to note that these are the same speakers used over and over for Team of Destiny® functions. Why are there no WWDB, Pronet, Network 21 or Yager Diamonds speaking at Team of Destiny® functions? How come Team of Destiny® doesn't invite back the Quixtar Diamonds Hal and Harriet Lyons to speak again?  Listen to Ms. Peterson talk about the function.

After about 55 minutes the open meeting stopped and after a 15 minute break, the "night owl" started.

The night owl was a combination of motivational and peddling the system. He started with a song, "*I hope you dance*", from female country singer, Leanne Womack. It was embarrassing for Harvey when he had problems starting the CD player and then the CD player skipped. He cut off the music and then read the lyrics. Harvey applied the words of the song to the Team of Destiny® business and life. He then jumped back into "the dream" and importance of keeping "a hunger for knowledge".

To satisfy your hunger for knowledge you should attend the next function where Chris Brady will be speaking. Then he promoted the Team of Destiny® "book of the month", "top 5 books" and tape of the week. If you are having problems in your relationship, they have a book for it called "the five love languages", which is number 6 in the Top 5.

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Then there are the weekly opens costing \$5, the monthly meetings for \$25 per person, and three major functions costing \$90 per person.

Then he reminisced on his three years in Amway and all the plans he had shown with nothing to show for them. He always thought "what if", "what if".... When he saw Team of Destiny® he jumped at it. He said to have faith in the system and tie into it. Buy the books, the tapes and attend all the seminars. "*If you are not on book of the month or tape of the week, tell the person who showed you this that you want on the system*".


He mentioned building a group of 10 people with 4 on the system and building another group of 5 with 2 on the system in three months, and a few other things and you are a Team of Destiny® "power player".

Then he highlighted the 8-step pattern.

1. The dream
2. Commit to that dream
3. Make a list of everybody you ever known.
4. Contact those on your list. There are tapes on contacting and we have scripts. Keep the information down to a minimum to build their curiosity when you contact them.
5. Show the plan
6. Follow up after the plan and sign them up.
7. Rotate the pattern. Help those you sign up do the pattern.

8. Check progress with your mentor.

It is interesting to note the 8-step pattern focuses only on recruiting new people and mentions nothing of retail sales of products to non-participant end users.

The meeting ended and I was able to talk to Harvey about the BSMs and the profit potential from the "B" type business outlined on Orrin Woodward's web site. I asked him if I had to buy the tools to be able to participate in the tool profits. He told me that if I was not using the tools, that I would probably not be able to attain the level required to participate in those profits. Harvey would not confirm that the tools are "required" for success but did state that using them would "*ensure your success*" in the business.  [Listen to Scott and Harvey.](#)

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Main Identity





A Team of Destiny® Open Meeting

I had the opportunity to attend and record a TOD open meeting. Typical of all open meetings I've attended it started 15-20 minutes late. The open meeting paralleled the format taught in TOD tapes.

The speaker was Harvey Ostranger who works for General Motors. They did not say where Harvey lived or what his pin level was, but he still garnered a standing ovation when he came in.. He has been with TOD 2 years. Harvey is a retread *Amway* distributor who claimed that "*Amway didn't work for him*" after three years of work. Harvey surely knows that Quixtar took over the North American Amway distribution business. It is no wonder that Harvey never mentions the Quixtar-Amway relationship since Amway never "worked for him".

As with all open meetings the "*dream*" came first and took up most of the time in the presentation. He then moved on to Michael Dell's "3-C's" and said how *Orrin Woodward and Chris Brady (TOD)* solved the problem of customer loyalty by "bribing" people to buy from their website.  [Listen to Harvey](#). What Harvey fails to mention is the need for a majority of the sales to be made to people who are not participating in the compensation scheme to be not considered an illegal pyramid.

"This the way we do it. We have the Team of Destiny® ...we help you build a group of people...these people are changing their buying habits and shifting some of the money they spend....and teaching others to do the same thing."  [Listen to Harvey](#).

Harvey states that your bonus is based on the volume you generate by "*shopping on the Internet*".  [Listen to Harvey](#). In the presentation, Harvey never mentions acquiring retail customers. He is promoting the business as a "wholesale buying club", which is a violation of Quixtar rules.


8.3.7. Must not say that a successful IB can be built in the form of a "wholesale buying club," where the only products bought and sold are those transferred to other IBOs for their personal use.

Harvey only presents the IBO option and never mentions the Quixtar Member and Client options. He never mentioned the need for retail volume ((M/C rule) to qualify for bonuses. This lack of disclosure might also violate Quixtar rules.


Member or IBO status. IBOs shall refrain from pressuring or otherwise forcing a prospect into becoming a Client, Member or IBO. IBOs shall recognize the importance of Members and Clients in establishing a retail business. IBOs shall at all times, fairly present the categories of Clients, Members and IBOs and permit the prospect to freely decide what level of involvement they desire.

Harvey also states "He (Michael Dell) says need a website to do business on the Internet. *"Ours is www.teamofdestiny.com. We also tie in with several companies...Microsoft, Fry Multimedia, Quixtar, and IBM. So we have our website taken care of by contracting with these folks."*

Harvey blurs the Quixtar relationship and probably breaks another Quixtar rule by implying that the TOD website is the main shopping portal and that Quixtar is a contractor or broker to TOD.

 [Listen to Harvey.](#)

8.1.6. directly or indirectly indicate that such products are merely one line of products distributed through or as a part of a brokerage operated by a person, company or organization other than the Corporation,

Harvey then lays out the TOD depth model of building your first leg with 50 people deep and a second leg 15 people deep (1-50+15). Harvey states when you have this structure you will make \$2,000-\$3,000/month.  [Listen to Harvey.](#) This structure is much different from the standard 6-4-2 or 9-4-2 model used in other Lines-of-sponsorship.

If each and every IBO in the TOD (1-50+15) model had 100PV and the BV/PV ratio was 2.5, this example would earn only \$605/month not the \$2k-\$3k claimed.

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O

Quixtar Distributor Joe Land (AllianceNet Solutions) Sues Internet Critic



Joe Land, a South Carolina Quixtar distributor who operates as Alliance Net Solutions, sued Internet critic Scott Larsen in June 2002, accusing him of defamation and copyright violation.

Read the lawsuit. The exhibits at the end are particularly interesting. Larsen's needling emails (see Exhibit B, which starts on page 27) must have driven Land right up the wall. Read what "MLM Survivor" Ruth Carter says about the suit here.

Larsen's analysis of Land's overheated sales pitch, complete with audio excerpts from an open meeting he recorded, pointed out numerous statements by Land that supposedly violate the Amway/Quixtar rules. A modified version of the page is still available on Larsen's web site, but you will find all references to Joe Land have been replaced by "the Diamond", and the audio excerpts are gone.

I wrote Larsen about the suit. Although he believed it to be without merit (there is a legitimate "fair use" defense to claims of copyright infringement), he settled to avoid representation costs, since he no longer lives in South Carolina. Land's strategy was apparently to spend Larsen into submission, rather than try to actually collect the \$75,000 in damages he'd asked for. What he really wanted was for his name to be removed from the web site -- and Larsen has done this.

The lawsuit itself, along with its exhibits, remains in the public record. Anyone can obtain a copy from the court in South Carolina. Interesting reading indeed.

[Back to the Amway Sucks! page](#)

Dave Touretzky

Last modified: Tue Oct 29 03:53:51 EST 2002

P

Dear Mr. Kuiper,

January 19,2004

Thank you for the letter of January 14th, 2004.

Unless congress has recently repealed the "Fair Use" section of the Copyright law, your claims of copyright infringement are overzealously asserted.

Let me refresh your memory about the "Fair Use" provision of the copyright law and the four elements that comprise that exception:

§ 107. Limitations on exclusive rights: Fair use³⁸

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as *criticism*, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include-

- "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- "(2) the nature of the copyrighted work;
- "(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- "(4) the effect of the use upon the potential market for or value of the copyrighted work.

1). I am *criticizing* your client's business support materials. The contents of these materials support my pyramiding accusations. The use of the material on my site is non-commercial. Since the intent is "criticism" and non-commercial in nature, the first test is met.

2) The content of the materials is the very thing I am criticizing. Specifically, as detailed on my site, the statements I have used from TOD's materials are evidence of that TOD promotes a multi-level marketing business in which most of the products (including BSMs and the Quixtar products) are sold to the distributors for their own consumption rather than for ultimate sale to non-distributors as is required by the FTC and Quixtar's own retail sales rules. The second test is met.

3) In my criticism of your client's business and business support materials, the audio excerpts chosen usually represent only 1-2% of the total work. In the case of the text references I make on my site, the fraction is much less. Since the portions I use are only fractional excerpts for criticism, the third test is met.

4) Since these are fractional audio and text excerpts and that I am not selling full-length copies of the materials, the market for these materials is still supplied by your client. Therefore the fourth test is met. It would be disingenuous at best for you to suggest that members of TOD would come to me to purchase their BSMs when: (1) I don't sell anything even remotely like TOD's BSMs; and, (2) what I have available on my site are small excerpts limited to those portions necessary to support my criticism of the manner in which TOD promotes its business.

Discovery would show that your client still obtains a significant income from their business support materials and that the fraction of IBOs buying their business support materials is still the

same as it was before the appearance of my web pages critical of their business and business support materials.

Discovery would also support the fourth and most important test. Could we find one IBO that stopped buying BSMs from TOD because he could find the useable TOD BSM's on my website for free? Discovery would reveal that I have not circumvented or replaced your client's distribution channel of BSM's, be it audiocassettes, website subscriptions or open meetings. Your client has no lost income due to any competition with my site, because I have not replaced any of the materials available from TOD that an IBO could meaningfully use in lieu of your client's products. Sales of business support materials have not been circumvented by the miniscule audio and text excerpts used in criticism on my website.

Should a "fair use" argument for some reason fail, my liability would be for "actual damages", or my "profits". Since I derive no profits from my site and the criticism of your client's business support materials, your client's damages are non-existent. A court action for Copyright infringement would be an interesting exercise in futility even if it were legally cognizable.

"If registration is made within 3 months after publication of the work or prior to an infringement of the work, statutory damages and attorney's fees will be available to the copyright owner in court actions. Otherwise, only an award of actual damages and profits is available to the copyright owner."

As to the recording of the open meeting:
The residency of Mr. Ostranger is unknown to me.

Secondly, with a high probability, neither your client nor Mr. Ostranger recorded this specific public presentation and had no plans of formally registering a Copyright for it. If Mr. Ostranger's plan presentation for that evening is not "fixed" in a medium, it is ineligible for copyright protection.

*"Several categories of material are generally not eligible for federal copyright protection. These include among others:
Works that have **not** been fixed in a tangible form of expression (for example, choreographic works that have not been notated or recorded, or improvisational speeches or performances that have not been written or recorded)" (<http://www.loc.gov/copyright/circs/circ1.html>)*

Thirdly your client must register the work before an infringement suit can be filed in court. TOD as well as Mr. Ostranger probably has nothing tangible to register.

'Before an infringement suit may be filed in court, registration is necessary for works of U. S. origin.'

Most likely your client is hastily registering the audiocassettes I criticize if he is truly serious about filing a Copyright suit.

Fourthly, if the last two points were somehow met for the open meeting, my use would still be covered by fair use, as it is for the TOD audiocassette excerpts.

Since Team of Destiny removed the image from Orrin Woodward's unprotected "show me the money" page, my direct link into the TOD website image no longer functions. Since your client removed the image from his site it automatically was not displayed on my page. No doubt on

advice from you, the page was totally removed from his "copyrighted" all be it "un-password-protected site". However that image has already escaped into the public domain by being intentionally published on his un password protected page site.

I have constructed my own artwork, so use of the TOD image is not needed for my purposes of criticism of their BSM pyramid scheme. I will enclose a .pdf printout of the page showing the page was released into the public domain and available without a password from sometime around December 16, 2003 to January 15, 2004. It seems strange the page and its associated graphic, once available without password protection, have been totally removed from Orrin's site. What was there to hide? I'm surprised it took so long to cover up the publicly-posted pages I reported to you on December 22, 2003.

Concerning the Federal Wire Taping law and my supposed violation of it:

18 USC § 2511 is the Federal Wiretapping Statute, which only requires consent by one participant in the recorded conversation:

(d) It shall not be unlawful under this chapter for a person not acting under color of law to intercept a wire, oral, or electronic communication where such person is a party to the communication or where one of the parties to the communication has given prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the Constitution or laws of the United States or of any State.

The recording of the open meeting occurred in the State of Indiana. The Indiana law piggy-backs federal law on the issue of consent: "This section does not apply to a person who makes an interception authorized under federal law." Ind. Code § 35-33.5-5-5. Thus, only consent from one participant is required was needed. I can assure you I consented to the recording.

Additionally the recorder was held in my hand in plain view so that I could get an audibly clear recording. I even sat in the first row to get the best possible recording. When the recording device is visible, consent by both parties is presumed. Additionally, most of the state statutes permit the recording of speeches and conversations that take place where the parties may reasonably expect to be recorded. It is common practice for Amway/Quixtar IBOs to record open meetings so that they themselves might improve their own plan showing abilities. Most of the other participants were copiously taking notes. I'm sure in Mr. Ostranger's five-year Amway/Quixtar career that he has also taken the opportunity to record numerous opens meetings. IBOs in his position, as a speaker in open meetings, know there is potential to be recorded. In fact the recording of meetings is generally encouraged!

From your last letter it is obvious that your client is more concerned about suppressing my first amendment right to criticize their business and BSM business, then they are about true infringement of any law.

Last, my clients would like all specific references to Team of Destiny, Orrin Woodward, Chris Brady, or any other member of TOD removed from your website. Instead, they request that the website be made non-TOD specific and, instead, simply refer to groups within Quixtar in a general sense."

In all of your communications about this subject, you have yet to mention damages from these supposed "Copyright infringements". It seems strange that your client would expend so much of

your time on this matter when he is not complaining about lost sales of BSMs due to my website clandestinely supplying them to their IBOs. Protection of income and profits are the principle reasons the copyright law was enacted. It was not enacted to assist people who have incriminated themselves in trying to remove public criticism by alleging Copyright infringement.

I too would like to head off needless litigation, but your Copyright accusations lack clear reasoning why the customary application of "Fair Use" is invalid in this case. I have made an effort to outline and quote the specifics of the law and why I am not in violation of it. I would welcome a similarly detailed rebuttal from you.

We could certainly avoid needless litigation if you could offer more detailed and compelling argumentation why Fair Use is invalid or at least that the "fair use" provision has been recently repealed by Congress. I'm always willing to listen to a well-formulated argument. As evidenced by my modification to clear up your misunderstanding about one of the TOD-related pages on my site, I am willing to modify my site if it prevents misunderstanding and, in the Copyright infringement accusations, has some references to the actual law being invoked

With Best Regards,

Scott Larsen

Ps. I am enclosing two cases from Scientology suing a website owner, which might be helpful to you. They also concern alleged "Copyright infringement" issues.


Q

Main Identity

com>



Why Team of Destiny is an Illegal Pyramid

Link to the Fair Use Provision of the US Copyright Law. 

The Michigan Attorney General's web site has a page describing the characteristics of illegal pyramid schemes. Read their page and see how closely the "Team of Destiny" meets each characteristic. Here is link to file a complaint with the Michigan Attorney General if you think you were conned. Addresses the complaint are at the bottom. TOD is also a member of the Better Business Bureau. You can complain to them. Most AG's will not take action against unless there are complaints, so make your voice heard if you feel you were part of an illegal pyramid scheme. All text in "**red italics**" is from Michigan Attorney General's pages.

"Multi-level" or "network" marketing is a form of business that uses independent representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits."

"Commissions should only be paid on the sale of goods or services to non-participating end-user consumers."

Retailing goods and services to non-participants is the least stressed item of the Team of Destiny. However, having significant sales to non-participants of the compensation scheme is one major factor separating legitimate MLM from an illegal pyramid. Court opinions state that at least 70% of sales should be from those not involved in the compensation program. From the following exhibits one can see that the main reason IBOs should buy the Quixtar products is so that they can participate in the compensation scheme. TOD's main focus is to sell only to "*participants*" in the compensation plan, which according to Michigan Attorney General, the 1979 Amway FTC opinion, Amway Co-founder Rich DeVos, and other court precedents is an illegal practice. The following evidence of this theme comes from the Team of Destiny web site and tapes.

It's About Buying from Yourself

"We need to purchase products from ourselves, (technical term: "generate PV") because the best advertisement that we believe that our business works! How can we show a picture labeling how much money comes out of the distribution chain and back into the pocket of IBO's if we are not even buying from our distribution chain?!"


"You can't wait for the fire to provide heat before you'll give it some wood. It's about buying from yourself. Be thankful it's stuff you already use! I know, I know, you like coupons. Do you NO! Do you buy a drill because you want a drill? No! You buy a drill because you want a hole! With the same reasoning, you use coupons because you like your money left after purchase - the same way you will like the money left in your pocket when you buy products from yourself, using your own IBO number, and generating a team doing the same".

"Amen! I've seen the light! Happy buying from yourself!"

Terri Brady, **Team of Destiny Founders Diamond IBO**, Grand Blanc, Michigan

Here are more examples of generating commissions from the "participants" from the Team of Destiny.


[Become a Prosumer!!!!] [How We Generate PV] [The Why of Generating Point Value] [PV: The Bottom Line] [Are these products cheaper than what I pay now?] [I Would Buy On-line No Matter What] [What's in Your Bathroom?] [Buying From Yourself - What a concept!] [Generating Point Value]

Amway Co-founder  Rich DeVos freely admits in his March 1983 Directly Speaking Tape that a "wholesaling only" business is illegal:

*"I guess if I'd been told all these years you don't have to sell the product, all you have to do is wholesale to people, then I guess maybe I wouldn't pay any attention to pricing, either. But that's an illegal business. And those of you that preach it and foster it and talk about it **are operating illegally**. I don't know how often I have to tell you that. I don't know how long I have to keep insisting that you talk upon people retailing the product and gaining customers and servicing them faithfully, only to have some of you throw it up in the air and say, "That's not our way. We don't teach that method." I got to tell you, you're running the wrong method. You see, once you'd accept the fact that you must sell the product at retail prices to have an honest business, then you suddenly are very concerned about the pricing of the product."*

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from recruiting other people to market the program."

TOD sells audiocassettes to train their IBOs. Additional evidence is presented in the following exhibits showing the wide spread teaching that the business sells only to its participants and very little to non-participants:

1. From the tape, PPS-41, Diamond IBO Tim Marks makes repeated remarks about the importance of "buying from yourself".
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There are numerous examples from their tapes. The list could go on and on.

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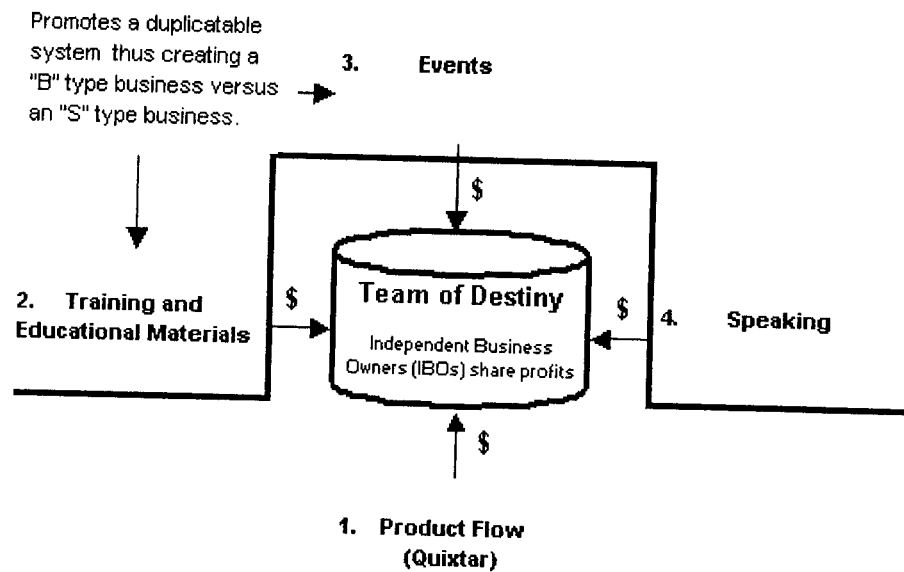
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The image above comes from the Team of Destiny web site and shows the additional sources of income IBOs can eventually have from the lucrative BSM's business: tapes, books, seminars, and speaker's fees. Participation in the profits from the tools business is based upon one's success in building a Quixtar organization, and convincing IBOs to consume these items. These items have no customers outside of IBOs or prospects. The BSM profit sharing plan creates an economic incentive and a conflict of interest for IBOs to recommend the use of BSMs to their downline IBOs for the sheer sake of generating commissions without regard for the economic consequence to their downline IBO's personal profitability. This creates an inherently fraudulent scheme.

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Don Freeze on PPS-9 You must submit to the system


At recruitment meetings you might hear phrases like "this is a ground floor opportunity which will change your life", "opportunities don't go away, they go to other people", and "if you act now and work hard for three to five years, you can retire and live off of the residual income."

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Here is the link to file a complaint with the Michigan Attorney General. You will need the information below.

Team of Destiny Inc. registered in Michigan Num: 30132A
 WOODWARD INTERNATIONAL NETWORKING SYSTEMS,
 INCORPORATED
 Address is here at the State of Michigan website

Quixtar Corporation
 5101 Spaulding Plaza
 Grand Rapids, MI 49355
 616-787-7800

Hits

Back to the home page 

Link to the Fair Use Provision of the US Copyright Law. 

TOD boasts a membership of 30,000 IBOs yet they recognize about 70 platinum distributorships on their web site. Their ratio of IBOs to platinum distributors must be one of the lowest in the business coming in at 1 in 428 versus the 2001 Quixtar average of 1 in 235. If TOD just maintained the Quixtar average (.4242%) they should have over 127 Platinum IBOs for a membership of 30,000 IBOs.

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Sapphire	Jeff and Barb Granger	
Platinum	George and Jill Guzzardo	
Sapphire	Mark and Rita Haas	

Emerald	James Halter	
Platinum	Josh and Courtney Hrinik	
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Platinum	Renee Oettinger	
Founder's	Nik and Sham Palomaki	
Platinum	Chris Park	
Platinum	Nate and Jennifer Patmos	
Platinum	Mark and Jenn Paul	
Platinum	Shawn and Shari Pillsbury	
Platinum	Colby and Kim Potts	
Platinum	Aron and Mary Radosa	
Sapphire	Greg Rau	Orrin Woodward
Platinum	Michelle Rauschenbach	
Platinum	Rick and Amy Reed	
Sapphire	Joe and Donna Rohde	
Founder's	Scott and Missy Russell	
Platinum	Pat and Lisa Semple	
Platinum	Chris and Heidi Smith	
Platinum	Holger Spiewak	
Platinum	Doug and Sheri Stroh	
Platinum	Jeff and Rebeka Taylor	
Platinum	Larry and Marsie VanBuskirk	
Platinum	Dan Whiting	
Platinum	Eric and Brandi Wilson	
Founder's	Wendy Yurgo	
Platinum	Ed and Lynette Zentner	
Platinum	Matt and Sarah Zimmermann	

Sapphire
Ruby
Platinum
Emerald
Platinum
Platinum
Platinum
Sapphire
Founder's
Platinum



Is Team of Destiny® a Pyramid Scheme? Compare for Yourself!

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The Michigan Attorney General's web site has a page describing the characteristics of illegal pyramid schemes. Read their page and see how closely the "Team of Destiny®" meets each characteristic. Here is the link to file a complaint with the Michigan Attorney General if you think you were conned. Addresses for the complaint are at the bottom. TOD is also a member of the Better Business Bureau. You can complain to them. Most AG's will not take action against unless there are complaints, so make your voice heard if you feel you were part of an illegal pyramid scheme. All text in "***red italics***" is from Michigan Attorney General's pages.

Rebuttal to Ken McDonald's "The Facts about Quixtar"

"Multi-level" or "network" marketing is a form of business that uses independent representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits."

"Commissions should only be paid on the sale of goods or services to non-participating end-user consumers."

Retailing goods and services to non-participants is the least stressed item of the TOD. However having significant sales to non-participants of the compensation scheme is one major factor separating a legitimate MLM from an illegal pyramid, as stated above by the Michigan Attorney General. Court opinions state at least 70% of sales should be from those not involved in the compensation program. From the following exhibits one can see that the main reason IBOs should buy the Quixtar products is so that they participate in the compensation scheme. Listening to TOD's tapes, one finds their main focus is to sell to "*participants*" in the compensation plan, which according to the Michigan Attorney General, the 1979 Amway FTC opinion, Amway Co-founder Rich DeVos, and other court precedents is an illegal practice. The following evidence of this theme comes from the TOD leaders.


It's About Buying from Yourself

"We need to purchase products from ourselves, (technical term: "generate PV") because it is the only way to generate an advertisement that we believe that our business works! How can we show a plan labeling how much money comes out of the distribution chain and back into the pockets of IBO's if we are not even buying from the distribution chain?!" Terri Brady, TOD Founders Diamond IBO, Grand Blanc, Michigan

More quotes from TOD Leaders about "buying from yourself".

It seems after the appearance of this page in early October of 2003 TOD had a change of heart and has added two new pages to their web site promoting retailing of products. These topics were added in mid-

October and November of 2003. [A Few Ways to Develop Member/Client PV] [A Balanced Business Includes Retail Sales]

Amway Co-founder  Rich DeVos freely admits in his March 1983 Directly Speaking Tape that a "wholesaling only" business is illegal:

*"I guess if I'd been told all these years you don't have to sell the product, all you have to do is wholesale to people, then I guess maybe I wouldn't pay any attention to pricing, either. But that's an illegal business. And those of you that preach it and foster it and talk about it **are operating illegally**. I don't know, often I have to tell you that. I don't know how long I have to keep insisting that you talk upon people retailing the product and gaining customers and servicing them faithfully, only to have some of you throw it up in the air and say, "That's not our way. We don't teach that method." I got to tell you, you're running the wrong method. You see, once you'd accept the fact that you must sell the product at retail prices to have an honest business, then you suddenly are very concerned about the pricing of the product."*

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from recruiting other people to market the program."

Quixtar has the "Member/Client" requiring IBOs to have a least 50PV or \$100 in sales in order to obtain bonuses on downline volume. The rule can be easily circumvented by "self reporting", pay around of the bonus by the Platinum, and creating bogus Member accounts and buying the minimum from that.

TOD actually consists of two different pyramid schemes. The first being the Quixtar products business, when retailing of products to people outside the Quixtar compensation scheme is not at least 70% of sales as judged by the recent court precedents. The second is the TOD Business Support Materials pyramid.

TOD sells Business Support Materials (BSMs) (audiocassettes, seminars) to train their IBOs. TODs BSM pyramid promotes the Quixtar "Product Pyramid". Examples are presented in the following exhibits of the wide spread teaching that the business sells only to its participants and very little to non-participants. :

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3. From the tape, TOD-132 Diamond IBO Terry Brady promotes the buy from yourself model. (24 min)
4. From the tape, PPS-25, Founders Diamond IBO Orrin Woodward, explains how even if Quixtar prices were higher, that buying from your own business would still be beneficial due to the pyramiding of downline bonuses.
5. From the tape, TOD-105, Platinum IBO, Renee Oettinger explains that a "Power Player" needs to buy 150PV from their own store.
6. From the tape, PPS-40, Sapphire IBO, Holger Spiewak, says to change your buying behavior and commit to 150PV per month.

7. From the tape, TOD-5, Sapphire IBO, Ed Zentner, says it is not hard to change one's buying habit earn an easy 150PV.
8. From the tape, TOD-132, Diamond IBO Terry Brady explains the concept of "negative products" and the confidence you show to others when you buy your own products.

There are numerous examples from their tapes. The list goes on and on and I won't bore you with it here. Have the person prospecting you loan you some business building tapes to find out for your self.

"Some companies call themselves multi-level marketing when they are really operating pyramid schemes that violate Michigan's Pyramid Promotion Act."

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"Team goals are very important because this is a business of "building numbers" of people attending the events."

TOD stresses building "numbers", or numbers of people attending events because the selling of Tools BSMs is much more lucrative than selling Quixtar products. TOD Cassette tapes cost \$6 each or \$12 the weekly standing-order program, yet tapes are reproduced in bulk for less than \$0.50 each. messages on the tapes are usually recorded at TOD functions. In addition, TOD also sells the "Top pack" of training tapes to new IBOs for \$300.

TOD weekly meetings cost \$5 per person, monthly events cost \$25, and the quarterly events cost \$100, including travel and accommodations.

Access to the TOD Web site costs \$40 to set up and then \$10/month. IBOs are also encouraged to purchase a voice messaging service for about \$25/month.

The BSMs business is very profitable to the Diamond TOD leaders, and is much more profitable than the Quixtar businesses. It is a multi-million dollar enterprise, which has *few or no retail customers outside their IBO participants*, so that is why recruiting numbers of IBOs is so important to them.

"Avoid any program that focuses more on recruitment of new people rather than the sale of a product or service to an end-user consumer. If the opportunity for income is primarily derived by recruiting more participants or salespersons rather than by selling a product the plan probably is illegal. Several courts interpret greater pressure on members to sponsor new recruits than to market company merchandise as evidence of an illegal pyramid."

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Quixtar has already warned Orrin Woodward about inventory loading of Nutrilite vitamins to new recruits. Here is the letter from Quixtar to Mr. Woodward in response to a complaint to the Michigan Attorney General. Page [1](#), [2](#), [3](#), [4](#). Page three mentions the food supplement purchases.

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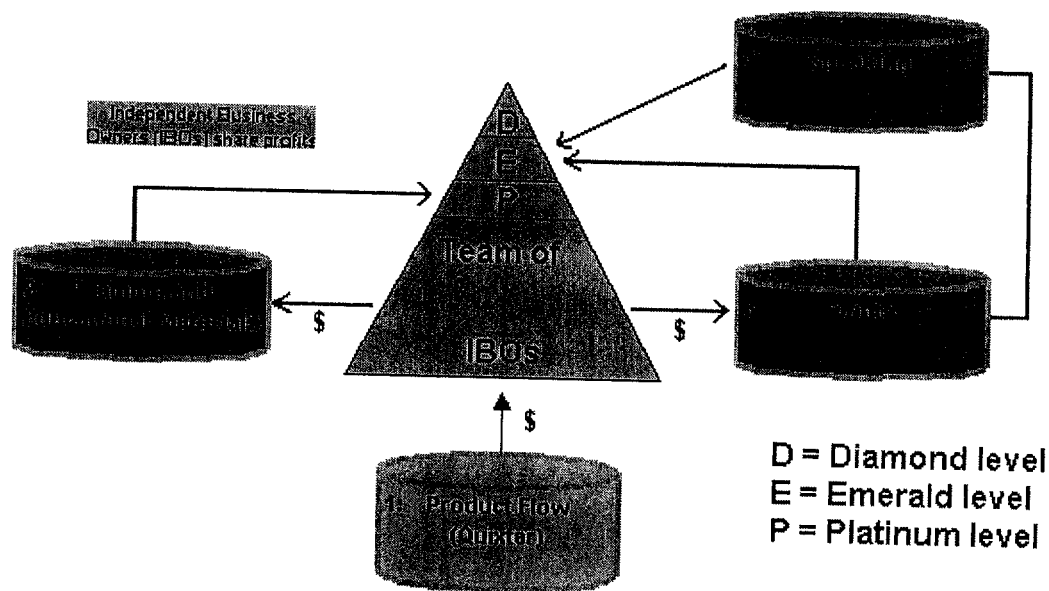
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If you want Orrin's real "debt-free millionaire status" you can get it here at the Genesee County Clerk in Michigan (search Woodward, Orrin A): It's interesting that Orrin's \$1.05M condo appears to have been purchased with an \$860,000 mortgage.

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In a 1983 audio taped speech entitled "Directly Speaking," Amway co-founder Rich DeVos stated:

Let me talk to you about the legal side, beyond price fixing, that deals with pyramids, that deals with illegal operation of a business that does not have an end consumer, where the product is not retailed. I would include all books and tapes. The sad news, folks, is that when those things go out that way and

become excessive, beyond my ten or twenty percent theoretical guideline, hopefully acceptable, to what it's a reasonable support system, but not beyond the reasonable element, then it becomes an out and illegal pyramid.

. . . when your tape volume becomes so great in relationship to your regular business, if it is not used in support for the Amway business, - will oftentimes be an illegal business - in fact, it could be called a pyramid - because, - does not get sold to the consumer. Which means that all the tape business does is to take money out of the organization, and because the final person can't retail it, it never brings money into the organization. Now, I'm not arguing the value of it - we accept the fact that motivation is vital to the business. Good, honest motivation is important to the business. But, it must be motivation that builds the business - not become a business in itself. And some of you have made it a business in itself. . . . And I am imploring all of you to do two things. Number one, clean up your act. And number two, if you know people who are continuing to do things improperly after all of this, then I want you to write us a note and just tell us who's doing it.

Directly Speaking, January 1983, Rich DeVos, Amway Cassette Series VA-2160.

In January 1983 the famous internal Amway "Postma" memo it stated:

The Tool business (motivation) is illegal. If I understand the MLM system, there are certain parameters that confirm its legality. Unlike the Koscot method of marketing, the MLM system moves a product to the ultimate consumer outside of the business structure; i.e., a customer. Although the Amway business is legal (no question), the tool business is not (my conclusion).

- a. It is a pyramid. It sells only to those who are involved in its structure.*
- b. It may violate tax laws. It is hard to determine whether or not proper sales taxes are paid (especially in the state of Washington).*
- c. A real danger of inventory loading without the protection of a buy back rule exists. This has already occurred (Mackey). It will happen again.*
- d. It could be construed as an employer/employee relationship.*
- e. It is not a free enterprise opportunity. A downline Direct is not to compete with an upline Diamond.*

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WOODWARD INTERNATIONAL NETWORKING SYSTEMS,
INCORPORATED
Agent: ORRIN A WOODWARD
105 E SECOND ST STE 1
DAVISON MI 48423
The Address is from the State of Michigan website

Quixtar Corporation
5101 Spaulding Plaza
Grand Rapids, MI 49355
616-787-7800

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Platinum	Dan and Vicki Newbauer	
Platinum	Paul and Lois Nobles	
Sapphire	Renee Oettinger	
Platinum	Tony & Gina Padilla	
Founder's	Nik and Sham Palomaki	
Platinum	Chris Park	
Platinum	Nate and Jennifer Patmos	
Platinum	Mark and Jenn Paul	
Platinum	Shawn and Shari Pillsbury	
Founder's	Colby and Kim Potts	
Platinum	Aron and Mary Radosa	
Platinum	Greg Rau	Orrin Woodward
Platinum	Michelle Rauschenbach	
Sapphire	Rick and Amy Reed	

Platinum	Joe and Donna Rohde
Platinum	Scott and Missy Russell
Sapphire	Pat and Lisa Semple
Founder's	Chris and Heidi Smith
Platinum	Holger Spiewak
Platinum	Doug and Sheri Stroh
Platinum	Jeff and Rebeka Taylor
Platinum	Larry and Marsie VanBuskirk
Platinum	Dan Whiting
Platinum	Eric and Brandi Wilson
Platinum	Wendy Yurgo
Platinum	Ed and Lynette Zentner
Founder's	Matt and Sarah Zimmermann
Platinum	
Platinum	
Sapphire	
Ruby	
Platinum	
Emerald	
Platinum	
Platinum	
Platinum	
Sapphire	
Founder's	
Platinum	

R



AG Complaint against Amway/Quixtar

I was looking for former and current IBOs to participate in a nationwide Attorney General complaint about illegal pyramiding practices in both Quixtar and the LOS BSM businesses.

I've finished up the complaint for all the AG's and it has been sent out. You can still help by still submitting your **complaint** online to the Michigan Attorney General and by writing your own State Attorney General. The fraud will continue enough people complain.

The content of your letter to the Attorney General should be short and to the point. You need to detail:

1. If the emphasis was on selling product or just recruiting other distributors/IBOs.
2. Were you told or shown how to report member/client volume you never had so you could earn a bonus on downline volume?
3. If you ever retailed product, what % of your sales it was
4. The losses you had
5. The hours you spent

Please ask any your friends of yours from the business to also participate.

[Related Page with Precedent Court Cases](#)

[Related Page about Team of Destiny Line of Sponsorship](#)

[Back to the home page](#)



S

Main Identity

)m>

Amway/Alticor/Quixtar Sucks!



Welcome to **Amway/Alticor/Quixtar Sucks!** Note to Amway/Quixtar cultists: I am not a bitter, failed Amway distributor; I'm a faculty member at a private university. I've never had any interest in joining your silly pyramid scheme.

For everyone else, here's what I can offer you today:

- **NEW!** For Team of Destiny recruits: yes, Team of Destiny is Quixtar, which is Amway done on the web. More info [here](#) and [here](#).
- For beginners: a quick [summary of Amway](#) from The Skeptic's Dictionary.



'Pop Goes the Amweasel!' Contest.

Contest over, but read the page for a great laugh!

- Amway: the Untold Story, by Sidney Schwartz. This is my local mirror of the web site that Amway was furiously trying to suppress. Amway's thuggish tactics are what brought me into this fight. Just doing my part to defend free speech on the Internet.
- You can set up your own "Amway: the Untold Story" mirror site by downloading these two zip files: [amway-main.zip](#), and [amway-comments.zip](#). If you are running on a Unix machine, you must unzip them with "gunzip -L" to force all-lowercase file names, and then rename face.gif to Face.gif and nobull.gif to Nobull.gif.
- Amway/Quixtar's Little White Lies, a truly marvelous page by Scott Larsen. This is my favorite anti-Amway page because it exposes the lies so clearly. Amway's legal goons have also been harassing Larsen. Here's his list of Amway Business Myths: a must read!
- Joe Land sues Internet critic! The owner of AllianceNet solutions sued Scott Larsen. Find out what he won.
- A good message board at [Quixtar Now](#).
- The other ``Heavy Hitters``: people who have put together important anti-Amway web sites and in some cases suffered serious harassment as a result. [Ashley Wilkes' web site](#) (now virtually gutted after years of fighting and \$10,000 in legal bills) talks about the abuses of the AMOs. And [Ruth](#)

Carter's [MLM Survivor site](#) also has a wealth of information. And [this site](#) mirrors lots of great Amway material. There is also lots of good material at [John Hoagland's site](#).

- [Forbes Magazine](#) denounces Quixtar (Amway-on-the-web) as a "get rich quick scheme".
- Sherwood Ensey's [The Amway Files](#) details his injury by a defective Amway product, and Amway's hardball tactics in dealing with him, including a refusal to give data about the product to the Poison Control Center! If you have a tube of **Amway Metal Cleaner** in your house, don't even *touch* it until you've read Sherwood's story.
- Cult expert Steve Hassan tells you why [Amway Motivational Organizations seem like cults](#). And here is excellent information on [cult-like aspects of Amway](#) from John Hoagland.
- [The Things They Will Say](#) details the indoctrination techniques used by Dreambuilders, one of the large Amway motivational organizations (franchises) with cult-like aspects. Also see this [List of Lies told by Amway and its distributors](#); the second part is [here](#).
- [Amway for Scientologists](#), a "hat pack" written by Bernie Greene. Scientologists who are Amway distributors can use the Scientology cult's "tech" to lure people into their Amway pyramid. See how many Scientology buzzwords you can find.
- [Hate mail](#) from Amway cultists.
- Amway was preventing people from selling their old tapes on eBay, according to ex-Amway distributor Jeff Bunnell. See their [eBay info page](#). So much for being an "independent" business owner. You can just *eat* those tapes, sucker.
- John Hoagland's [Anti-MLM and Anti-Amway Webring](#) was destroyed by Amway legal harassment. Read the obituary.
- Amway customers and distributors: your money can help support right-wing creationist wackos! Visit the [Van Andel Creation Research Center](#), funded by a grant from the Jay and Betty Van Andel Foundation. (Jay Van Andel and Rich DeVos are the two founders of Amway.)



God Was His Upline!

The Last Supper according to Amway: Jesus Christ shows The Plan to the original 12 IBOs, four of whom eventually went Diamond.

Remember: if you leave Amway, you will always be a broke loser... and Jesus won't love you anymore.

More Amway humor: [Russia acquires Amway distributorship](#), reproduced from [The Onion](#).

3/29/00 News Flash: one of Amway's legal whores, [Timothy Q. Delaney](#), sent me a [threatening letter](#) in regard to my AUS mirror. It's not a bad job, really, considering that Amway has no legal grounds and can only blow smoke. But it did not intimidate me in the slightest. **Sorry, Timmy. The mirror is not**

coming down.

For more info on Timmy Delaney's legal antics, see Jim Lippard's "Amway subpoenaed me" page at <http://www.discord.org/~lippard/amway/index.html>.

4/26/00 News Flash: Timmy's at it again!!! Here is the second letter from Amway's dopey lawyer, Timothy Q. Delaney, with a new set of bogus allegations, this time based on the Lanham Act and trademark infringement. The Scientologists tried this same tactic a few years ago against some of their Internet critics. It got them nowhere; the ACLU stepped in and told them to get lost. Now read my reply to Timmy to see how well he did.

5/9/2000 News Flash: Here is the third letter from Timmy Delaney, Amway's tenacious Internet attack-weasel. Now he accuses me of engaging in "name-calling and vulgarity". Awwwwwww: poor Timmy's feelings got hurt! Putting his whining aside, you should notice that he's dropped his stupid Lanham Act claims now that he sees I'm not going to fall for that old trick. He's gone back to spinning conspiracy theories involving P&G and Sidney Schwartz. Here's my commentary on Timmy's third try. Down boy!

5/15/2000 Meat of the Loom was another famous case of a big corporation subjecting a little guy to repeated bogus trademark infringement threats. The little guy got annoyed and sued. The corporation backed off. See also this essay on Federal Dilution Trademark Law in the United States, which points out the law's explicit provision for non-commercial uses of another party's trademark, for purposes such as parody, satire, or editorial commentary.

9/20/2001 A judge has dismissed Amway's conspiracy claim against Procter & Gamble. A few days later, Amway settled with Sidney Schwartz.

Legal disclaimer : **Amway** is a registered trademark of the amoral thugs at Amway Corporation, whose corporate web site is www.amway.com.

Dave Touretzky

Last modified: Mon Dec 22 02:54:25 EST 2003

T

Expect to Win
John & Melanie Morgan

SOL
58

Side
1



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Expect to Win
John & Melanie Morgan

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2



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COPY

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

TEAM OF DESTINY, INC.

Plaintiff,

v.

SCOTT A. LARSEN,

Defendant.

Case No. 04- -

Honorable

Thomas A. Kuiper (P47285)
WHEELER UPHAM, P.C.
Attorneys for Plaintiff

40 Pearl St., NW, Suite 200
Grand Rapids, Michigan 49503
(616) 459-7100

AFFIDAVIT OF HARVEY OSTRANDER

STATE OF MICHIGAN)
COUNTY OF _____) ss.

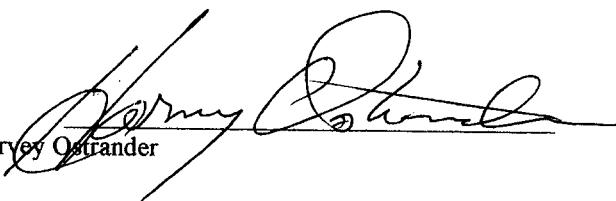
Harvey Ostrander, being first duly sworn, deposes and states as follows:

1. I make this Affidavit based on my own personal knowledge and, if called as a witness, I can testify competently to the facts stated herein.

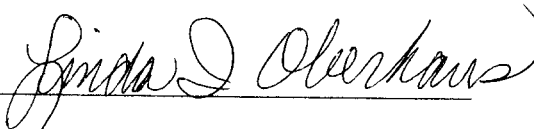
2. I am a Quixtar Independent Business Owner. I am also a member of the Team of Destiny.

3. From time to time, Team of Destiny asks me to speak at a Team of Destiny open meeting.
4. An open meeting typically consists of two portions. The first half of the meeting is an explanation of the Team of Destiny business, commonly known as "The Plan." The second half is a basic teaching session, typically referred to as a "Night Owl." The Team of Destiny provides me with an outline of material that it wishes me to cover during each portion of the meeting. After the meeting, I answer questions from any person in attendance at any such meeting.
5. On December 23, 2003, I spoke at an open meeting on behalf of and as the agent for Team of Destiny at an open meeting in Fort Wayne, Indiana.
6. The meeting was relatively well attended and there were numerous people in the audience.
7. At the December 23, 2003 open meeting, and at any open meeting, I do not expect that my oral presentation will be recorded by any member of the audience.
8. I have been made aware of the fact that an individual named Scott Larsen attended the December 23, 2003 open meeting and tape recorded my presentation.
9. I was not aware that he was tape recording my presentation on December 23, 2003.
10. I have also been made aware that Scott Larsen tape recorded certain questions that he asked of me and my answers to those questions. I was not aware that any questions posed to me or answers given by me on that evening were being tape recorded.
11. I did not provide authorization to tape record my presentation or the answers I gave to any questions posed to me.

12. Further, Affiant sayeth not.
 Dated: 2-18, 2004


 Harvey Ostrander

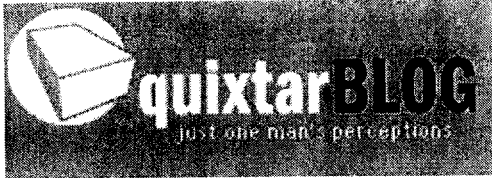
SUBSCRIBED AND SWORN TO before me, a Notary Public, in and for the County of Defiance,
 State of Ohio, on 2-18-04.


 Notary Public, _____ County, Ohio
 My commission expires:

Linda I. Oberhaus
 Notary Public, State of Ohio
 My Commission Expires October 23, 2007
 Recorded In Henry County

V

Main Identity



Katie: please print out the month of january of this website. Tom

aBOUT

cONTACT

fORUM

qUESTIONS

rESOURCES

Quixtar Blog

This site is the journal (blog) of the husband of a former Quixtar IBO. The purpose of this site is ONLY to express personal opinions, convey emotions and relate experiences. This site is not a review of Quixtar or Quixtar's IBOs. This site is neither an endorsement nor a condemnation of Quixtar. It's just one man's perceptions. ([What is a Blog?](#))

Search this site:

• [Subscribe to quixtarBLOG Newsletter](#)

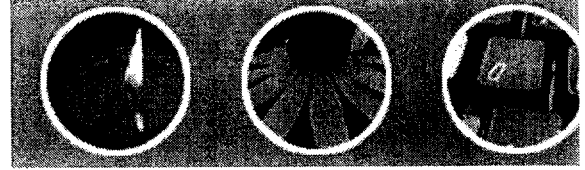
Quixtar related links

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+ [Qbiz](#)

- [Quixtar Business Analysis](#)
- [Amway/Quixtar Memory Hole](#)

= [FTC advice](#)
= [Quixtar Definition](#)

? [MLM Survivors Club](#)
? [MLM Blog](#)



January 30, 2004

I Love Quixtar

Quick, go to [Google](#) and type in "I Love Quixtar" and then hit the "I'm feeling lucky" button. What do you think of that? Ha!

-- Posted by QBlog at [07:33 AM](#) | [Comments \(0\)](#)

January 29, 2004

This is the site your upline warned you about!

WARNING: If you're a Quixtar IBO this site may cause you to think for yourself. Visiting these pages and participating in these discussions car hazardous to your financial future. This site is run by the worst kind of losers, Quixtar Losers! That's scary stuff ain't it. And yeah, as a matter fact, **this site IS trying to steal your dream.** What you gonna do ab it, huh? What you gonna do PUNK?!?

But wait, there's more. Not only will this site destroy your financial futu rots teeth, causes severe diarrhea and will lower your IQ by a full 30 p That's right. This site is B-A-D. Bad to the BONE! Look out. This site ju stole your dream. Oh no!

This site does NOT buckle up. This site drinks expired Milk. This site do not play well with others. This site does NOT think Dexter Yager is the Messiah! Stick that in your pipe and smoke it. Oh yeah, this site smoke too. Smokes pure, unfiltered tobacco grown in vats of alcohol. Pure gra alcohol too baby. This site plays with FIRE.

So, if you're a Quixtar IBO you better RUN. Run away fast. Hit that bac button. Go back to [Quixtar.com](#) or [TOD](#) or wherever you came from. site will NOT be held responsible for anything that happens to you after visiting. Now get outta here. You're a Quixtar winner. Quit hanging aro this loser site. Be gone!

[>> More links >>](#)-- Posted by QBlog at **08:58 PM** | [Comments \(0\)](#)

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January 28, 2004

Blogger says, "Bad Business"

Found "[Stephen's Homepage](#)" on Google tonight and saw some interesting comments about Quixtar. The blog doesn't have permalinks (shame) so you'll have to just scroll around until you find the entry titled "Bad Business". As I've stated in the past, I love such blog opinions because they are raw and honest impressions of Quixtar.

Stephen writes:

The entire meeting was designed to intensify money: money worries, money desires, money needs, money injustice, etc. But it was all BS. This guy Andrew played out just about every card that he thought would appeal to us. He started off with disillusionment in higher education and how college doesn't guarantee a good job, saying that the only reason he went to college was to learn to make money and that didn't pan out. Gosh, you think?

Be sure to check out Stephen's [current blog](#). It seems rather fun.

-- Posted by QBlog at **11:19 PM** | [Comments \(0\)](#) | [TrackBack \(0\)](#)

January 27, 2004

The Bo Short Timeline

I receive a number of inquiries each month asking me what I know about Bo Short. As a response to those inquiries I've compiled a brief Timeline documenting specific dates and events that will hopefully answer many of those questions. The Timeline information was obtained from court documents, Web research and email interviews with Bo Short. While I consider the Timeline information to be accurate and fair, it is necessarily brief and may omit some events and details. If you know of information that should be added or changed please contact me immediately.

1995 - Bo Short qualified as an Amway Diamond.

1997 - Bo realized that "there was a problem in the business" but could not specifically identify the problem. He noticed that attendance numbers seemed to be declining as he spoke for different organizations and that decline was happening "across the board."

February, 1998 - A group called ProNet was formed by Bo's upline and a crossline. The ProNet group, headed by Hal Gooch, Tim Foley, Steven Woods and Bill Childers, "promised" to fix the problems that were causing the declining attendance numbers. One of the main components of the solution was to break away from Dexter Yager. Rumors were spread about Dexter Yager, alleging that he was ultimately causing most of the problems.

September, 1999 - Quixtar.com launched

July, 2000 - Bo Short realized that ProNet had not lived up to its "promise" of fixing the "problems." Reportedly, the numbers were still declining and the launch of Quixtar.com had not done much to change that trend. More importantly for Bo, the ProNet group seemed to be acting exactly like the rest of the groups, the same methods and the same problems. Bo Short and a handful of Diamonds from various organizations decided to meet and discuss the problems and to search for a solution.

The group met in Chicago and quickly realized that most of the problems were tool-related (books-tapes-seminars). They noticed certain names surfacing while discussing the problems in different organizations. Those names belonged to a small group of tenured, high-level pins and it became apparent that they were the ones controlling the tool distribution money across multiple organizations.

The group also realized that the training system was ineffective and also inequitable. The tool money was primarily moved to the tenured, high-level pins and the newest people, those at the bottom, did not share in the financial benefits of the tools. The group sought a method to remedy the inequality and to make the tools more effective. The group also realized that making the tool business public, by publishing details and discussing its operation, was the most important component of their planned change.

Soon after the Chicago meeting, the Diamonds met with Quixtar to discuss their conclusions and offer solutions. During one meeting with Quixtar, Bo Short learned that the Corporation had been aware of the tool problem and its inherent inequality, since 1965.

Shortly after July, 2000 - Team In Focus was formed. The format TIF was a direct result of the Diamonds meeting in Chicago and their subsequent meetings with the Quixtar Corporation. The purpose of TIF was to reform the tool business and to transfer control of the tools from the high-level pins to the masses. With Quixtar's "blessing," TIF set out to construct a tool compensation plan that paid similarly to Quixtar's own bonus plan.

The main goal of TIF's tool-reform effort was to approach the business from the bottom up instead of the top down. TIF pursued changes such as:

- Publishing the tool plan for everyone to see
- Alternative methods for distributing tools
- Using technology more effectively
- Reducing the number of meetings
- Making meetings more localized
- Redistribute control of the tool business

July, 2000 - September, 2001 - Bo Short continued to meet with Quixtar as the TIF liaison. Bo's job was to interface with Quixtar on the behalf of TIF. The Corporation assured Bo and TIF that they would be protected from the very people they were challenging with reforms — the tenured, high level pins. The Corporation initially said that everything was open for discussion including tool manufacturing and distribution as well as help with management and compensation. However, shortly after TIF broke away from their respective upline groups, the Corporation withdrew much of the promised support. TIF was left with Corporation support in name only, without any sort of real collaboration with Quixtar towards tool reform. In fact, they were prohibited from telling their groups that Quixtar was distributing their tools through a sister company known as Access Logic.

September, 2001 - Bo had come to realize that none of this (tool reform) was working out. TIF was not really an instrument for change and some of its participants seemed to behave more like the other groups with each passing day. The Corporation had abandoned their promises. The tenured pins wouldn't budge. Bo realized that he was unable to change Quixtar from the established tools system from the inside and decided to leave it all behind and walk away. He resigned his income, tool money, bonuses — everything. Bo said, "I refuse to be a part of something that I believe has been corrupted."

Shortly after he notified Quixtar that he was leaving (by not renewing), Bo began to develop Passport as an option to offer the few friends he was leaving.

October, 2001 - While Bo did not renew with Quixtar in September and no longer received any income from Quixtar, the Corporation insisted that he send them a formal resignation letter ([read more about it here](#)). To avoid the resignation/renewal squabble, Bo sent a resignation letter to Quixtar.

On October 12 Bo resigned from Team In Focus. Around that time Passport was officially formed.

December, 2001 - Passport ships its first products.

April, 2002 - Team In Focus **broke off from Quixtar** and became an independent group.

-- Posted by QBlog at [02:45 PM](#) | [Comments \(2\)](#) | [TrackBack \(0\)](#)

January 26, 2004

Quixtar and Immigration

The Louisiana Weekly is a publication that attempts "to represent the interests of our multicultural community in its individual and collective quest for a richer, more dimensional, and meaningful quality of life."

Christopher Tidmore has written a column for The Louisiana Weekly

discussing immigration in the United States. He begins **his column by describing** a recent Quixtar conference he attended in Dallas:

Sitting at a Quixtar conference in Dallas two weeks ago, I became convinced that President Bush's proposed Guest Worker program would work. Throngs of brilliant Indian immigrants, who came to America on a temporary visa for high-tech workers, had played a key role in building one of the fastest growing direct marketing companies in the world. And, it all happened because of a guest worker program.

Tidmore goes on to describe how Quixtar has helped thousands of Indian immigrants become a positive economic force within the U.S. economy

The column is actually about immigration as it relates to Bush's recent proposals but it was interesting to see that immigration topic framed in the context of Quixtar. Misspellings, errors and sloppy editing aside, the column is interesting and worth a read.

-- Posted by QBlog at **07:41 PM** | **Comments (2)**

January 25, 2004

Why?

Just a simple question. Why?

Why are Quixtar critics seemingly so numerous? Why are so many of them former IBOs? Why are they so vocal? Why does the criticism persist? Why do the critics seem represented by every demographic group? Blue collar white collar, rich, poor, white, black, old and young. So many unified in criticism of Quixtar or various Quixtar organizations. Any ideas why?

-- Posted by QBlog at **03:12 PM** | **Comments (12)**

Get to know Doug DeVos

MLive, a Michigan news conglomerate, did a nice piece on Alticor president Doug DeVos. **The Style of Doug DeVos** gives a brief biography of DeVos and some insight into the culture of the company.

DeVos grew up in a family devoted to Christianity.

"Faith was a prominent part in our life," he said. "My mom and dad lived the faith. It was part of who we were and how we lived. Dinner was a time for prayer. Before we went to bed was a time of prayer. When the family faced challenges, it was a time to rely on our faith.

"My faith is demonstrated in everything that I do. I would

hope I am no different when I am at work or when I am home with my family."

For some reason the paragraph that really stood out to me states:

It also has added Internet sales through its Quixtar division, and its international operations have grown to the point that more than 80 percent of all sales are outside the United States.

Think about that. I've known that Alticor, via Amway, was growing outside the States but had no idea it was 80%. Did you know that? That means (obviously) that Quixtar in the U.S. doesn't even account for 20% of All sales. A truly global corporation.

-- Posted by QBlog at [10:31 AM](#) | [Comments \(1\)](#)

January 24, 2004

I'm no Quixtar expert

Many people assume that since I run this blog I must be some sort of expert on Quixtar lore. I'm not. I know the Quixtar basics, a few details and a few rumors but when anyone starts naming names and specific events or lawsuits my eyes usually just glaze over. Gooch. Hart. Stewart. Shwartz. Pronet. WWDB. All are names that I know but have trouble putting into proper context. I know a little about each, and much more about others. It's often difficult to gather all the various names and incidents and then weave them together into some sort of coherent, historical tapestry.

However, during the past couple of weeks things have begun to make a little more sense. I think my diligence is beginning to pay off. I am beginning to see connections that were invisible a few months ago. I am beginning to understand how an incident in one group affected a specific reaction in another. That historical tapestry is beginning to snap into focus and I do think I like what I am seeing.

My hope is that the [Dateline story on Quixtar](#) will connect some dots and put a few things into historical perspective and generally help define the Quixtar narrative. I believe that the key to understanding this business is to understand the narrative and how everything fits together. It's like a giant puzzle and you can't complete it if you can't see all the pieces. For a long time only a few have been able to see all the pieces. We all need to see those pieces.

-- Posted by QBlog at [10:14 PM](#) | [Comments \(0\)](#)

January 22, 2004

FLASH: Think Quick

Quick - What's the difference between this splash page on the MarkerM site: [MarkerMan Intro Splash Page](#)

And this splash page on the Team of Destiny site: [Team of Destiny Intro Splash Page](#)

-- Posted by QBlog at [08:46 PM](#) | [Comments \(1\)](#)

Joe Land is The Diamond

Who is Joe Land? Below is a page copied from the [Joe and Lynn Land Scott A. Larsen](#) lawsuit (link to pdf document). I found this particular interesting mainly because it questions whether Joe Land re-qualified a Quixtar Diamond. The whole "pin-level qualification" thing is something never quite understood but maybe that's because I always thought all the various Quixtar levels and titles were a little silly. I mean, what the hell a Platinum or Ruby mean to anyone outside of Quixtar? Now, vice-president, CEO, Supreme Commander - those are some titles we can identify with. But Triple Founders-Ambassador Crown Diamond Commander? What the hell is that?

Anyway, the court document below is actually a printed screen capture of Scott Larsen's Web site as it existed at the time of the lawsuit. It's a bit of history preserved by our beloved judicial system.

Visitors have learned about Joe Land



The Quixtar Plan by (former) Diamond Distributor - Joe Land

"The Amway business is built on a foundation of integrity"

Amway Amagram March 1998

"It is our firm belief that unless we clean up our abuses, we won't have to worry about what's next; we won't be here to worry about it." Rich DeVos - directly speaking

[Listen to Rich DeVos](#)

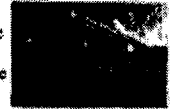


In-teg-ri-ty (*in-teg'ri-ty*), *n* 1. the state of being complete or whole 2. uprightness; virtue; honesty; soundness.

One must question the knowledge, ethics, and integrity of distributors when misconceptions like those outlined below are told. One might expect such misinformation from a brand new IBO, but not from a devoted Christian Diamond. This Diamond distributor makes many misleading and false statements in his public presentation of the "Plan". I wonder whether Mr. Land's downline is ignorant of the facts or if they have just checked their integrity and honesty at the door. The misconceptions from Mr. Land's plan are transcribed below. This was obtained from his January 11, 2001 open meeting in Charleston, SC at the Charleston Place Hotel. Quotes by Mr. Land are in blue italic print.

"Because it works does not justify it unless it's honest; and we have gross indications of dishonesty in that presentation" Rich DeVos - Co-Founder Amway Corp - Directly Speaking [Listen to Rich DeVos](#)

Update: Joe Land did not requalify for diamond this year, nor did he make the Q-12 qualification. He currently qualifies as a sapphire direct. See Joe's organization now and one year ago. One must wonder how his business is doing since he is trying to sell his house on the exclusive Charleston Battery (see right). Joe and Lynn had the house before Amway/Quixtar, so it is not a result of his "success" in the Quixtar business. See the listing! Due to Joe's problems with "the plan", exposed below, he was censured by Quixtar. Since his censure he created a "Show the Plan" video, which costs \$18. I wrote him to ask for a cut of the profits for my "technical analysis of his old plan", but he still has not written me back! He does now ask that all recording devices be turned off before he starts his presentations.



Joe has broken with his upline and the Pronet Organization and is starting his own tools business, Alliancenetolutions, despite him saying on his first tape "You have a covenant

According to [Dave Touretzky](#), Scott Larsen yanked all the audio excerpts and references to Joe Land to avoid a lengthy and costly legal battle. That bad this never went to court because on page 4-5 of the [complaint](#) is

Upon information and belief, Defendant's use of the false and misleading descriptions and representations of fact regarding Plaintiffs has damaged Plaintiffs by actually deceiving potential Independent Business Owners and present Independent Business Owners with respect to the financial health of the Plaintiffs, the value of the Land Network, the status, purpose, and goals of the Land Group International and AllianceNet, and the honesty and integrity of the Lands, causing **Plaintiffs damages in excess of \$75,000.** (emphasis added)

I would love to have seen the proof backing the \$75,000 claim. Not say they didn't lose that money as a result of Scott's actions, just saying I'd like to see the evidence that supports that claim.

Anyway, the weird thing about this is that the **Larsen Web site** is still with the words "The Diamond" replacing the name Joe Land and all the audio removed. So, basically it's now like a scavenger hunt. If you go to Scott's page on "The Diamond" you may wonder, "Who's this Diamond?" and then run to other Web sites to find out the identity of "The Diamond". I actually think that's sort of fun. I mean, we all LOVE scavenger hunts. Now the Joe Land page is truly interactive. Isn't the Web wonderful?

-- Posted by QBlog at **08:09 PM** | [Comments \(1\)](#)

Mommy and Daddy have been busy

Team of Destiny has some new sisters! Last week Team of Destiny had **three sisters** (see bottom of page) and this week TOD **has six sisters** (see bottom of page)! That's three new siblings in less than a week. Maybe they're triplets?

The weird thing is, MLMBlog posted **something about** the three original sisters and some guy named Jody Victor earlier this week. Now Jody's just one of six sisters instead of one of three. Whee!

Speaking of Jody, isn't that a girl's name? Or is it like Tracey or Marion where it can be either a boy or girl's name?

-- Posted by QBlog at **06:42 PM** | [Comments \(3\)](#)

What's good for the goose...

I've heard quite a few Quixtar IBOs, as well as our own upline (when my wife was in the biz) disparage Web info and strongly advise that we avoid the Web as a source of Quixtar Info. However, as one observant Web site has opined, many of those very Quixtar leaders are themselves **searching Web and reading info and commentary** about Quixtar.

Interesting how the big boys tell you to stay off these boards, but they obviously monitor them and sick their scary attorneys on you! Shame on them!
- C (*camrynn at chartermi dot net*)

So, what's good for the goose is obviously NOT good for the gander... whatever the hell that means. What exactly is a gander? No fair looking up.

-- Posted by QBlog at **05:37 PM** | [Comments \(6\)](#) | [TrackBack \(0\)](#)

Quixtar IBOs Meetup

Presidential candidate Howard Dean has received a lot of attention as a result of **successfully using the Internet** to fund his campaign, organize events and communicate with constituents. One of the most talked about portions of his Web presence is the **Meetup.com** site. Using that site E

supporters are able to organize events and meetings. The Dean camp t learned how to leverage the Web to their advantage.

What does this have to do with Quixtar? Well, guess what? There is no **Quixtar Meetup** page. If you want to get together with other Quixtar i in your town just sign up and go. It's that simple. Look for a QBlog Mee coming to a town near you!

-- Posted by QBlog at **12:40 PM** | [Comments \(1\)](#)

January 21, 2004

According to Ty Tribble, CEO of Tribble.org

From Market Wire: **Former Quixtar Business Owners Change Appr to Network Marketing**

What do high priced products, leaving home 3 or 4 nights a week, expensive training, and time-consuming meetings have in common? According to Ty Tribble, CEO of Tribble.org, "Everything that is wrong with network marketing."

Tribble learned the down side of network marketing the hard way, as a Quixtar independent business owner (IBO). He says, "All I knew about it was what I heard from my Quixtar sponsor. He had a very nice home, luxury cars, and traveled around the world. It just seemed reasonable that if I listened to him and worked hard, I would have those things too." But it didn't work out that way for Tribble -- or for many other Quixtar IBOs.

My thoughts on the Market Wire press release:

I saw the above "article" on Google News (which does NOT take money post links to my knowledge) earlier today and thought it was very curic have a habit of posting curious links related to Quixtar (either directly c indirectly) and this was no exception. Time constraints prohibited me fr adding my own comments to the initial post until now.

I have a very good understanding of news and the news business and i attitude towards press releases is that they're a necessary evil. While n press releases are just pure pabulum, some do convey useful informatio announcing a new product, scientific discovery or newsworthy event. I' you decide the value of Ty Tribble's press release.

There are three reasons this particular press release caught my attentio

1. It was published the same day that an air date for the Dateline NBC on Quixtar was unofficially announced.
2. It contained no real new information and had little actual news value

3. It stated that Ty Tribble is the CEO of Tribble.org.

The third reason is the one that was most perplexing to me. From all appearances Tribble.org is simply a Passport site. I've been told that Tribble.org is much more than that but I find no evidence supporting that notion. Interestingly, one of Passport's primary selling points is that there are no titles. Bo Short states on his own Web site:

As an author on books about leadership I have been struck by something very interesting while interviewing great leaders; the more confident they are in their ability, the less concerned they are with titles. I believe that many people in this industry that achieve so-called pin-levels, while hard-workers, are not necessarily leaders. Each of our teammates are called Independent Associates. A leader should be allowed to make an impact immediately, even if they do not wear a fancy title. If it is your business your voice should be heard.

Now, CEO seems like a title to me. In fact, of all the titles you can get in a company CEO is about the most impressive sounding title I can think of besides maybe Chairman of the Board, Founder or Supreme Commander. So, I ask the question, is Tribble.org a Passport site? And if it is, then why does Ty get to sidestep the whole "no titles" thing and be a CEO?

Now, I guess the explanation is that Tribble.org is not ONLY a Passport business, much, much more. And, if Ty owns this business (which happens to be related to Passport in some way) then he can give himself any title he damn well pleases, and this is absolutely correct. When you break it all down, there's nothing wrong with Ty being the CEO of Tribble.org (and I never said I was wrong). Hell, Bo Short is the CEO of Passport, the company that doesn't have titles. There's just something about that whole press release that doesn't sit well with me. Maybe my personal dislike of press releases in general is coloring my perceptions? There's just something in my gut that says, "This is just an effort to create some type of status" (though my gut is often wrong, that pizza I had for dinner is reminding me of that fact). I really can't put my finger on it but if I were writing that press release (I forbid I ever write one) I think I'd have ditched the CEO references and something like "a highly successful Passport Associate." That gets across the truth (as reported by Ty), is impressive and yet does not incorporate a

Anyway, I'm just sharing my personal reactions. I wish I could do a better job explaining this but I can't. Sometimes I just have a hard time putting my thoughts and emotions into words. I hope you can understand.

-- Posted by QBlog at [01:27 PM](#) | [Comments \(23\)](#)

Dateline airing Quixtar story Jan. 27

Dateline NBC is scheduled to air the Quixtar story January, 27 at 9 p.m Eastern.

UPDATE: The Dateline NBC story about Quixtar has been rescheduled. Apparently the story will air soon, we're just not sure when. To be clear Dateline DID say that this story would air on Jan. 27 and then changed minds. This is not uncommon with such News Magazine shows. I've rec this information from more than one reliable source.

-- Posted by QBlog at **11:32 AM** | [Comments \(1\)](#)

January 20, 2004

I'm not too smart

There are two Quixtar rules that seem to create a lot of confusion. **Orrin Woodward** authored a [clarification](#) of sorts ([complete text here](#)) which explains:

The **50 PV Member/Client rule** ensures that Team of Destiny IBOs are creating Member/Client volume on a monthly basis. And the **70% buying rule** protects Team of Destiny IBOs from inventory loading, i.e., stocking their basements full of product simply to attain higher pin levels.

Scott Larsen wrote a rebuttal titled "[TOD Explains Two Rules](#)." In the rebuttal Scott points out that:

Orrin's explanation of the seventy percent rule is contrary to the plain language of the rule. It specifically says that seventy percent of the products must be sold. Nowhere does it suggest that this can be satisfied by your own purchases or those of your downline.

I guess confusion creeps in when trying to define the word "sold." Maybe buying products for your own consumption is a sale? Maybe not. Maybe there's some other interpretation of the rule? I'm still confused.

In the actual "article" Orrin states that:

The second rule (Rule 2) protects IBOs from stocking their basement full of product to hit new pin levels. The Seventy Percent Rule ensures that no more than 30% of products bought by IBOs are retained for future buyers. The leaders of the TOD are very supportive of this rule because it protects a new IBO from spending money on products he cannot move or use. An example of this rule in action would be if a person was at 4000 points and wanted to go 7500 points. If he stretched the 3500 points and didn't have any IBOs, Members, or Clients to whom he could move the merchandise that month, he would be in violation of the Seventy Percent Rule. $(4000 / 7500) = 53\%$ which is less than 70%.

Being a diligent fact-checker I decided to take a look at the [Quixtar](#)

Business Compendium (pdf document) to see exactly what Quixtar has to say about the "70% buying rule."

4.18. (Page 55) Seventy Percent Rule: An IBO must sell at least 70% of the total amount of products purchased during a given month in order to receive the Performance Bonus or recognition due on all the products purchased; if the IBO fails to sell at least 70%, the such IBO may be paid that percentage of Performance Bonus measured by the amount of products actually sold, rather than the amount of products purchased, and recognized accordingly.

4.18.1. Performance Bonuses are intended to be earned on sales volume. However, since the Business Volume during a particular month will, under normal circumstances, approximately equal the sales volume, or retail value, of the products an IBO sells during that month, and since it is cumbersome to administer the payment of Performance Bonuses on the basis of products actually sold (which would involve knowing the product inventory of every IBO), the payment of Performance Bonuses is for convenience based on monthly Business Volume rather than on a monthly sales volume.

Well, honestly I'm still confused. Reading the Quixtar rules it looks like selling 70% of your products is pretty important. I'm not sure that falling short of the 70% means the business is illegal but it should certainly affect your bonus total. However, what I find interesting is that in **Amway vs FTC** the 70% rule is explained in this manner:

To ensure that distributors do not attempt to secure the performance bonus solely on the basis of purchases, Amway requires that, to receive a performance bonus, distributors must resell at least 70% of the products they have purchased each month. The 70% rule has been in existence since the beginning of Amway. Amway enforces the 70% rule.

Now, call me stupid but it looks like there are three different interpretations of this little rule. Does this look correct?

- FTC ruling - explains that distributors must resell at least 70% of the products purchased each month.
- Quixtar rule - states that if 70% of products purchased are not sold bonuses must be adjusted.
- Orrin seems to be saying - If you don't stock your garage with products to reach a pin level then you've got nothing to worry about.

I admit, all this legalese gets a bit confusing and so maybe I missed something that's clearly obvious. Maybe Orrin is right on and I just don't understand what he's saying? Maybe Scott Larsen is correct in questioning the legality of what TOD is promoting? I really don't know. But the more I read all of this the more I'm convinced that the confusion revolves around

the definition of the word "sell." I guess the word means different thing different people. According to Ron Mitchell (of the Quixtar Business Rule Department **as stated by SamT**) TOD is in full compliance with respect to the Quixtar rules in both their practices and teachings. Ron explains in **letter to Orrin Woodward** that

specifically, the Rule requires that an IBO sell at least 70% of the products purchased monthly to downline IBOs, members and clients. For purposes of this Rule, products used for personal consumption, given out as samples or used for demonstration would be considered part of the sales volume and not part of the 30% an IBO is allowed to inventory.

So Ron seems to be saying that the 70% product sales can actually be samples and personal consumption. And that's where I just don't quite follow. And that's where I guess we need to figure out what the word "sell" really means. As I read the Quixtar rule it clearly says "an IBO must sell at least 70% of the total amount of products purchased during a given month." Maybe someone can explain this to me. After all, I'm not too smart.

-- Posted by QBlog at **11:45 PM** | **Comments (2)**

January 19, 2004

The Orrin Woodward articles that just won't disappear

Well, our good friend **Orrin** (or maybe his Web lackey) is at it again. The **post** I made last week about **OrrinWoodward.com** had links to four articles on his site. For some unknown reason he's decided (or his Web lackey decided) to hide the "complete text" of those articles from every browser except **Team of Destiny** Affiliates.

That's right. Pages that were originally accessible by anyone and every browser are now hidden behind a password script. Why would Orrin (or his Web lackey) do this? Why would he place an article on the Web for all to see and then move it behind some CGI script a few weeks later? Your guess is as good as mine.

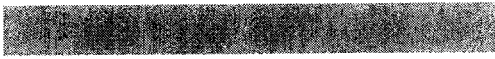
However, Orrin (or his Web lackey) forgot about one important Web reality while scurrying to move all this content behind a password. What Web reality is that? **Google!**

That's right you goofballs. All your lovely, super-secret articles are available to the entire world on Google!

- **Complimentary Businesses** - Changed from the original title "Business Within a Business"
- **How the Money Works**
- **Figures Don't Lie - But Liars Sure Can Figure**
- **Two Rules**

So, enjoy the articles. Go read them on Google. Read them and try to figure out why Orrin (or his Web lackey) is spending so much time to hide the articles from the general population. Is he embarrassed by them? Do they contain Team of Destiny secrets? Don't they hold up to public scrutiny? Is it something else entirely? Who knows? I'm clueless. Maybe he's got a password for password protected sites? It could happen!

-- Posted by QBlog at **02:19 PM** | [Comments \(2\)](#)



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- **Two Rules**

So, enjoy the articles. Go read them on Google. Read them and try to find out why Orrin (or his Web lackey) is spending so much time to hide the articles from the general population. Is he embarrassed by them? Do they contain Team of Destiny secrets? Don't they hold up to public scrutiny? Is it something else entirely? Who knows? I'm clueless. Maybe he's got a few password protected sites? It could happen!

Posted by QBlog at **02:19 PM** | [Comments \(2\)](#)

January 15, 2004

Scott Larsen Visits TOD

Scott Larsen attended a Team Of Destiny meeting and **has written about that experience.**

Posted by QBlog at **08:29 PM** | [Comments \(0\)](#)

Bo Short Responds

The MLMBlog has posted **comments from former Quixtar Diamond Short** that respond to Orrin Woodward's "**Business Within a Business**" article that I mentioned in **yesterday's post.**

Interesting.

Posted by QBlog at **02:46 PM** | [Comments \(1\)](#) | [TrackBack](#)

January 14, 2004

Team of Destiny, Quixtar and Orrin Woodward

I've been meaning to say something about the **Orrin Woodward** site for several weeks but just haven't made the time to sit down and collect my thoughts until now. For those unfamiliar with Orrin, he's the Quixtar Diamond at the top of the **Team of Destiny** Quixtar group.

When visiting Orrin's site my first reaction was "yuck." I simply can't understand how someone with his apparent resources could approve of publishing such a horrible looking site. Maybe the real purpose of the site isn't to disseminate information but to exploit search engine placement cross-linking to **other TOD member sites**? Could that explain why even mention of **Team of Destiny** is linked to the TOD site? On the Orrin Woodward home page alone I count 9 instances where **Team of Destiny** both mentioned and linked. Talk about overkill! We get the point! I think I figured out how to get to the **Team of Destiny** site after the first three or four links. Maybe dude has some sort of link fetish? It could happen.

Popcorn

The Orrin site is basically comprised of four "articles" plus a links page.

"articles" are titled:

- **Businesses Within a Business**
- **How the Money Works**
- **Figures Don't Lie - But Liars Sure Can Figure**
- **Two Rules**

The "**Business Within a Business**" page seems to compare Quixtar (or Team of Destiny) to a movie theater and compares the "tools and train" to movie theater concessions.

The apparent intent of the "article" is to offer some sort of justification for TOD tools and training costs by demonstrating that society accepts overpriced popcorn sold to a captive audience at movie theaters. I'm not sure if I get this comparison because I personally avoid movie theater concessions whenever possible simply because they're so overpriced. I like I'm being mugged every time I buy a \$5 soda. Why would Orrin want to associate that negative experience with his TOD business? Maybe I miss something? Who knows. His second example using Michael Jordan makes much more sense because everyone loves Michael Jordan. Everyone does not like movie theater popcorn prices.

How the Money Works

The "**How the Money Works**" page is probably the most confusing of the four. Orrin explains that TOD has a primary business (Quixtar) and a secondary business (tools, tapes, seminars and speaking) and compares this business model to that of an auto dealership. The comparison makes a certain amount of sense but ultimately breaks down under scrutiny.

The problem with the comparison is that selling parts, services and used cars is quite different than selling tapes, tickets and tools. One revenue source (the cars, parts and service) has a specific and measurable market value. The other (the tools, tapes and seminars) has a value that is much more difficult to pin down. The value of TOD's secondary revenue source can vary greatly from one individual to the next. However, in addition to the questionable value of the TOD "products" is the fact that such "products" can only be "sold" within the closed TOD system. While their value is hard to measure within TOD, it's easy to measure outside TOD: virtually worthless.

The Residual Income

Another interesting aspect of "How the Money Works" is that the entire secondary revenue source involves some amount of labor. Those who participate must speak at functions, organize and sell tickets to events and put together motivational and training material. Where is the residual income we've heard so much about? The graph on the page points out that such secondary income is part of the "B" quadrant but it seems more like "S" to me. You don't speak at a function, you don't get paid. You don't organize an event, you don't get paid. How is that residual? Maybe someone will explain that to me.

The TOD Club

Personalities are funny things. We get along great with some while others can royally piss us off. Every large business is full of diverse personalities and I imagine that TOD is not immune from this fact of life. And if TOD experiences this reality of occasional personality conflicts then I wonder

what might happen if some "rising star" conflicts with Orrin or others at top of the business? Would such an individual suddenly find himself (or herself) pushed out of the TOD speaking circuit? Surely such a scenario is conceivable. And if so then how is "rising star" supposed to cash in on that secondary income? Form a new group? Shop around to other groups? I don't know but whenever your revenue comes from a closed system it's hard to maintain that revenue if you've fallen out of favor with those who make the decisions. Just ask those actors and writers who found their names on McCarthy-era black lists.

Conclusion

To sum this all up I'm frankly just a bit confused by Orrin Woodward. Can his site really help pitch his business? Do visitors read his "articles" and think, "Wow, this TOD is for me baby"? I don't know. I just know that after I visited my only response was, "TOD is the Tony Robbins flavor of Quixtar".

Posted by QBlog at [12:57 AM](#) | [Comments \(6\)](#)

January 12, 2004

Quixtar thoughts from an active IBO

Here are [some thoughts about Quixtar](#) from an active IBO:

Why the hell does Sumitro keep bringing up that all you have to do is "change your buying habits"? *sigh* Seriously, the self-consumption model doesn't work. If you want proof of that, there's some pretty nifty websites out there. (check this site for links and cool research material). The profitability from Quixtar comes from having clients and members. Clients you get the difference between "Retail" and "IBO" prices as profit for your business, on top of having their Point Volume/Business Volume count towards your group. Members, while you don't get that profit, you do get their purchases counted towards your volume PV/BV.

The author seems to be an independent thinker, not one to blindly "follow the herd." It's just good to see blogs (or LiveJournals or whatever) with positive comments about Quixtar once in a while. It's rare but when I find them I post it here.

Posted by QBlog at [01:56 PM](#) | [Comments \(6\)](#)

Bitter Amway Loser

Here's a [petition to the FTC](#) addressing some concerns about Amway

I decided to submit this petition for enforcement review because it seems that most distributors, after failing in what they thought was a valid business enterprise, are not motivated to complain or seek redress. They have, in many instances, been conditioned to believe that any failure was

their fault. Many such distributors have lost life savings, stable jobs and their marriages. After having spent most of my career dealing with these companies from an enforcement standpoint, and witnessing the damage first-hand, I feel some obligation to these victims to make this effort on their behalf.

Be warned. This petition is authored by a Bitter Amway Loser who is or trying to steal the dreams of those... oh... wait a second. It's actually submitted by Bruce A. Craig, the former Asst. Attorney General for the of Wisconsin. And, apparently Bruce **has over 30 years experience** prosecuting pyramid schemes. But how can that be? I thought the only people who had concerns about Amway were Bitter Amway Losers? Wh going on here? I'm confused.

Posted by QBlog at **01:18 PM** | [Comments \(5\)](#)

January 07, 2004

Secret audio recording

I found this **secret phone conversation** between Dexter Yager and **Q Woodward's** wife, Laurie. It was apparently recorded while Laurie was General Manager of some type of resort community in Florida. Very fascinating.

For more recordings go [here](#) ;o)

Posted by QBlog at **11:00 PM** | [Comments \(1\)](#)

The IRS and Alticor

Just saw this headline five minutes ago.

IRS wants Alticor records for tax probe

The federal government wants to know whether Alticor Inc.'s independent dealers and other customers are using offshore bank accounts to shield income and escape paying taxes.

The Internal Revenue Service is playing detective. It is seeking the identities of people who bought soap, vitamins, cosmetics or other Alticor products with credit cards drawn on accounts in the Bahamas, Barbuda, Antigua and the Cayman Islands.

This may be old news for all I know but it's the first I've heard of it.

UPDATE Apparently this is not old news. Alticor is one of 123 business that the Feds have requested records from (since 2002) in a national investigation of offshore credit-card abuse.

Posted by QBlog at **08:02 PM** | [Comments \(3\)](#)

January 05, 2004

Taping phone conversations in the United States

I posted a link to a site that describes U.S. telephone recording laws back in **March, 2003**, but apparently that link no longer works.

Never fear. I've found a much better resource for those interested in taping phone conversations, recorded messages and any other fun stuff that can be heard on the telephone.

The **Reporters Committee for Freedom of the Press** has a nice page called "**Can We Tape?**" that explains the laws about taping phone calls. Be sure to check it out.

Basically all but 12 states allow what is called "one party consent" before taping a phone call is legal. This means that taping your neighbor's phone calls without their knowledge is illegal. However, "one party consent" does mean that you can record your own phone call to your neighbor without needing to inform him of the taping. You're the "one party" and since you're doing the recording then you obviously have consented. Cool huh?

The 12 states that require "all parties consent" are:

- California
- Connecticut
- Florida
- Illinois
- Maryland
- Massachusetts
- Michigan
- Montana
- Nevada
- New Hampshire
- Pennsylvania
- Washington

This means that if you call your neighbor (or he calls you) in one of the 12 states you must inform him that you're taping the phone conversation for it to be legal. All parties in the conversation **MUST** be informed (possibly even the phone company). This would include conference calls.

So, there you have it.

But wait, isn't recording phone calls kind of creepy? I mean, it's sort of dishonest isn't it? And besides, I need all sorts of hi-tech gizmos to do it right? **Wrong, Wrong, Wrong.**

Recording phone calls is the American way. It's safe, fun, educational and so easy to do! All you need is a tape recorder and **this little gizmo** from Radio Shack. Simply plug it in and let the fun begin. It makes a lovely Christmas gift too. And it's Oh So Fun at Parties.

So, what are you waiting for? Start recording today!

Posted by QBlog at **09:39 PM** | [Comments \(3\)](#)

January 04, 2004

\$900,000

The document linked here is a few years old and it allegedly came from **Britt Worldwide** organization. The most interesting part of the document is the fine print at the bottom of the page. You'll have to click the [link](#) to see the small text.

Average yearly income for IBOs powered by Quixtar	Q-12 Qualifiers	\$62,537
	Emeralds	\$73,793
	Founder's Emeralds	\$87,881
	Diamonds	\$136,322
	Founder's Diamonds	\$173,105
	EDC & up	\$442,186
	Founders EDC & up	\$977,334

The average monthly gross income for "active" IBOs was \$88.

Approximately 46% of all IBOs were found to be "active." The following are approximate percentages of "active" IBOs who achieved these levels of success in the year in which they were surveyed: Q-12 Qualifiers - 1.141%, Emeralds - 0.840%, Founder's Emeralds - 0.689%, Diamonds - 0.571%, Founder's Diamonds - 0.410%, EDC & up - 0.249%, Founders EDC & up - 0.099%.

This info can also be found at [AmQuix.info](#).

UPDATED: Thanks to an alert reader we now can provide this updated document showing some Quixtar numbers. As before, you must click the [link](#) to view the complete document and be able to read the small text at the bottom.

Average yearly income for IBOs powered by Quixtar	Q-12 Qualifiers	\$ 39,763
	Emeralds	\$ 69,122
	Founders Emeralds	\$ 89,646
	Diamonds	\$149,942
	Founders Diamonds	\$227,400
	EDC & up	\$450,729
	Founders EDC & up	\$982,154

The Average Monthly Gross Income for "Active" IBOs was \$115.

Approximately 46% of all IBOs of record were found to be "active."

Posted by QBlog at **11:06 AM** | [Comments \(7\)](#)

January 01, 2004

Oops!

The Miami Herald reports that the "company that supplied Quixtar with millions of dollars worth of travel vouchers was liquidated. And the 22,000 travel certificates it sold to Quixtar and distributed through its dealer

network were useless."

Apparently, Crown Marketing and Sabre Marketing Group is responsible this "travel mess" and Quixtar has spent \$1.2 million to replace the now worthless vouchers. Quixtar is also suing the company.

Say what you want about Quixtar but you gotta respect the way they're handling this mess.

Quixtar stepped in and began paying the hotels directly - paying for the vouchers for a second time. Sullivan said the company is committed to "making it right" for its IBOs and customers.

Posted by QBlog at **06:42 PM** | [Comments \(8\)](#)


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W



Is Team of Destiny® a Pyramid Scheme? Compare for Yourself

Link to the Fair Use Provision of the US Copyright Law. 

There is a long standing debate about Amway (now Quixtar) and their lines-of-sponsorship being pyramid schemes. There have been numerous court cases, filed by former IBOs as high as a Crown and Dou Diamond, since the 1979 FTC case, which cast doubts about the legalities of Quixtar and the Line-sponsorship tape and seminar businesses.

Team of Destiny® Inc. (TOD) is a Michigan corporation. TOD is a line of sponsorship in the Quixtar business opportunity (formerly Amway). TOD sells business support materials (BSMs) to its downline IBOs building Quixtar businesses. TOD distributes the profits from their BSM sales to participants as their own Multi-Level-Marketing (MLM) opportunity. It is very easy to find examples in TOD materials of MLM practices, which have caused other MLMs legal problems. See the pyramiding precedent cases for examples.

As with most any MLM opportunity, TOD has the default status of "legal and in good standing", which is valid until there is an action by an attorney general or a court. To my knowledge TOD has never been ruled an illegal business by an attorney general or a court. However, due to the sheer number of MLM businesses and the limited resources of regulators, only the most abusive schemes ever get prosecuted.

The Michigan Attorney General has a page describing the characteristics of illegal pyramid schemes. Since TOD is also a Michigan Corporation it is interesting to compare what the MI Attorney General describes and what TOD business building training materials teach. Read the Attorney General's page to see how closely the "Team of Destiny ® " meets each characteristic. Most AG's will not take action against you unless there are complaints, so make your voice heard if you feel you were part of an illegal pyramid scheme. Here is the link to file a complaint.

Rebuttal to Ken McDonald's "The Facts about Quixtar"
Rebuttal to Orrin Woodward's explanation of "the Member Client and 70% rules"

All text in "***red italics***" is from the Michigan Attorney General's page on pyramid schemes.

"Multi-level" or "network" marketing is a form of business that uses independent

representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits.

"Commissions should only be paid on the sale of goods or services to non-participating end-user consumers."


Retailing goods and services to non-participants is the least stressed item of TOD. Quixtar commission factors are paid on all sales regardless even if the majority is not retail sales. Having significant sales to non-participants of the compensation scheme is one major factor separating a legitimate MLM from an illegal pyramid, as stated above by the Michigan Attorney General. Court opinions state that at least 50% of sales should be from those not involved in the compensation program. From the following exhibits one can see that the main reason IBOs should buy the Quixtar products is so that they can participate in the compensation scheme. Listening to TOD's tapes, one finds a major focus is to just sell to "*participants*" in the compensation plan, which according to the Michigan Attorney General, the 1979 Amway FTC opinion by Amway Co-founder Rich DeVos, and other court precedents is an illegal practice. The following evidence of this theme comes from the TOD leaders.

TOD Leaders Quoted about "buying from yourself"

Ask the person prospecting you to see the TOD website to see how heavily they promote "buying from yourself".

It seems after the appearance of this page in early October of 2003 TOD had a change of heart and added two new pages to their web site promoting retailing of products. These topics were added in mid-October and November of 2003. [A Few Ways to Develop Member/Client PV] [A Balanced Business Includes Retail Sales]

A TOD open meeting still says nothing about retailing. One example in December 2003 never even mentioned the Member/Client option. Critique of the TOD open meeting.

Amway Co-founder  Rich DeVos freely admits in his March 1983 Directly Speaking Tape that a "wholesaling only" business is illegal:

*"I guess if I'd been told all these years you don't have to sell the product, all you have to do is wholesale it to people, then I guess maybe I wouldn't pay any attention to pricing, either. But that's an illegal business. And those of you that preach it and foster it and talk about it **are operating illegally**. I don't know how often I have to tell you that. I don't know how long I have to keep insisting that you talk upon people retailing the product and gaining customers and servicing them faithfully only to have some of you just throw it up in the air and say, "That's not our way. We don't teach that method." I got to tell you, you're running the wrong method. You see, once you'd accept the fact that you must sell the product at retail to have an honest business, then you suddenly are very concerned about the pricing of the product."*

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from

recruiting other people to market the program."

Quixtar has the "Member/Client" requiring IBOs to have a least 50PV or \$100 in sales in order to obtain bonuses on downline volume. The rule can be easily circumvented by "self reporting", by pay around the bonus by the Platinum, and creating bogus Member accounts and buying the minimum from that.

TOD actually consists of two different pyramid schemes. The first being the Quixtar products business when retailing of products to people outside the Quixtar compensation scheme is not at least 50% of sales as judged by the recent court precedents. The second is the TOD Business Support Materials pyramid.

TOD sells Business Support Materials (BSMs) consisting of audiocassettes, seminars, and open meetings to train their IBOs. TOD's BSM pyramid promotes the Quixtar "Product Pyramid". The content of TOD audio cassettes support the wide spread teaching that the business sells mostly to its participants and very little to non-participants.

TOD Leaders Quoted about "buying from yourself"

1. From the tape, PPS-41, Diamond IBO Tim Marks makes repeated remarks about the importance of "buying from yourself".
2. From the tape, TOD-71, Executive Diamond Orrin Woodward says how even if you don't have people skills, it should still be easy to teach people to buy from their own businesses.
3. From the tape, PPS-34, Sapphire IBO Jeff Granger, warns IBOs to not let it slip out in their contact that it is a "huge buying club", but to focus on getting people to the plan showing.
4. From the tape, TOD-132 Diamond IBO Terry Brady promotes the buy from yourself mode.
5. From the tape, PPS-25, Founders Diamond IBO Orrin Woodward, explains how even if Quixtar prices were higher, that buying from your own business would still be beneficial due to the pyramiding of downline bonuses.
6. From the tape, TOD-105, Platinum IBO, Renee Oettinger explains that a "Power Player" needs to buy 150PV from their own store.
7. From the tape, PPS-40, Sapphire IBO, Holger Spiewak, says to change your buying behavior and commit to 150PV per month.
8. From the tape, TOD-5, Sapphire IBO, Ed Zentner, says it is not hard to change one's buying habits to earn an easy 150PV.
9. From the tape, TOD-132, Diamond IBO Terry Brady explains the concept of "negative products" and the confidence you show to others when you buy your own products.

Have the person prospecting you loan you some business building tapes and listen for your self.

"Some companies call themselves multi-level marketing when they are really

operating pyramid schemes that violate Michigan's Pyramid Promotion Act."

"Be skeptical of plans that claim you will make money through continued growth your "downline" -- the commissions on sales made by new distributors you recruit rather than through your own sales of products."

1. From a TOD seminar 11/09/2002:
"Focusing on PV will not work. You must focus on building numbers"
 TOD Emerald IBO, Bill Lewis (PV = Point Value, obtained by product sales)
2. From the TOD web prospecting Site:
"Team goals are very important because this is a business of "building numbers" of people attending the events."

TOD stresses building "numbers", or numbers of people attending events because the selling of Tools BSMs is much more lucrative than selling Quixtar products. TOD Cassette tapes cost \$6 each or \$12 the weekly standing-order program, yet tapes are reproduced in bulk for less than \$0.50 each. There is one Standing Order Leadership tape for \$6. The messages on the tapes are usually recorded at TOD functions. In addition, TOD also sells the "Top 50 pack" of training tapes to new IBOs for \$300.


TOD weekly meetings cost \$5 per person, monthly events cost \$25, and the quarterly events cost \$100, not including travel and accommodations. I attended a TOD open with 50 IBOs and maybe 10 paying guests. At the end of the meeting I asked the hotel clerk how much the room cost. Since the room only cost \$50, TOD pocketed \$200 profit on the room. When you go to a TOD open, ask the hotel how much the room costs. Each TOD IBO pays \$5 to attend the open.

Access to the TOD Web site costs \$40 to set up and then \$10/month. IBOs are also encouraged to purchase a voice messaging service for about \$25/month.

The BSMs business is very profitable to the Diamond TOD leaders, and is much more profitable than the Quixtar businesses. It is a multi-million dollar enterprise, which has *few or no retail customers outside their IBO participants*. The profits from recruiting new IBOs on their system is much more profitable than the Quixtar sales attributable to these new IBOs.

"Avoid any program that focuses more on recruitment of new people rather than the sale of a product or service to an end-user consumer. If the opportunity for income is primarily derived by recruiting more participants or salespersons rather than by selling a product, the plan probably is illegal. Several courts interpret greater pressure on members to sponsor new recruits than to market company merchandise as evidence of an illegal pyramid."

"Sometimes, new "distributors" are persuaded to purchase inventory or overpriced products/services when they sign up."

Sapphire IBO Don Freeze teaches on the TOD tape  PPS-18 that the Quixtar Double-X vitamins are cheaper than the Centrum brand on a cost-per-use basis. **Double-X costs \$48.15 for 31 tablets or \$1.55 each.** The multi-vitamin **Centrum** costs **6.3 cents** at Wal-Mart. The Quixtar Double-X vitamins are times more expensive than the Centrum. About \$22 per box, or \$0.72 per tablet goes to the pyramid bonus pool. Quixtar also sells a Multi-vitamin "**Nutriline**" similar to Centrum, which cost **15 cents** each. This is still over twice the price of Centrum. Almost all of the price difference goes to fund the pyramid.

bonus pool.

At the TOD open meeting I attended, the cost to start up was stated to be \$245. However, the cost to sign up with Quixtar as an IBO is only about \$50. Almost 80% of the sign up price is stock the IBO up with products he hasn't personally chosen.

Quixtar has already warned Orrin Woodward about inventory loading of Nutrilite vitamins to new recruits. Here is the letter from Quixtar to Mr. Woodward in response to a complaint to the Michigan Attorney General. Page 1, 2, 3, 4. Page three mentions the food supplement inventory loading.

"Beware when the products or services are simply vehicles for recruitment. The products may be gimmicks and/or overpriced, but even high quality products may serve as a cover for recruitment activities."

The high cost of the products is a common objection to the business. Founder's Diamond Orrin Woodward on PPS-25 "Handling Objections" says that one could treat the price premiums *as an investment* that will be paid off, after they show the plan and recruit some other people. The tape TOD-52 "Follow Through" teaches another method to handle the ever-present "high prices" objection.

"Be cautious about specific income or earnings claims. Many programs boast about the incredibly high earnings of a few top performers ("thousands per week" or a "six figure income"). The reality is that most of the people recruited into the organization are not making anywhere near those amounts and most actually lose money."

1. Founder's Diamond Orrin Woodward on tape TOD-25 builds the dream, and asks what you would do "if you could make \$10,000/month from this business".
2. Sapphire Don Freeze on tape PPS-42 states:
"Wealthy is defined as making over a million bucks a year. Who is up for that? Ok good. You see Orrin does, Chris does, and Mark is on his way to doing it... "
3. Founder's Diamond Orrin Woodward on tape PPS-20 states:
"When we bring Chris and Terry Brady there will be four people ..that are multi-millionaires. When is the last time you sent a weekend with four multi-millionaires for \$100?"
4. Diamond Chris Brady on tape PPS-39 states:
"How much money does Orrin really make? I know for sure it's ..LOTS".
" Orrin has a seemingly endless supply of money and free time "
" I've made \$4,000 for each plan I've shown."
"Buy from your self and you'll be a millionaire"
5. Sapphire IBO Bill Lewis on tape PPS-36 states:
"You're offering them a chance to be a millionaire".
6. Sapphire IBO Matt Abraham, on tape PPS-38 states:
"... Tim Marks ...25 months to qualification of millionaire status (ie Diamond)."

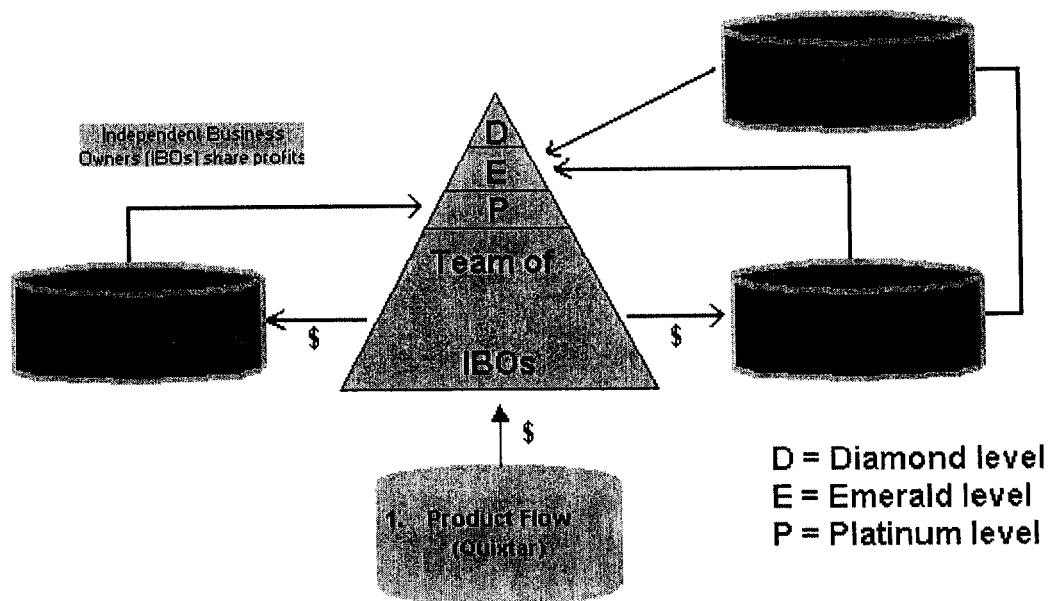
7. Diamond Orrin Woodward, on tape [TOD-71](#) states how he has seen people make \$6,000 \$7,000 per month in this business in less than two years.

Maybe Mr. Brady and Mr. Woodward would care to show "the fruit on their tree" and publish the Quixtar 1099's like Dexter Yager used to make and hand out [copies of his bonus checks](#). They imply they make millions from Quixtar but Quixtar says the average Founder's Diamond makes \$227,400/yr which is much less than the millions implied. Where are the copies of Orrin's checks?

If you want Orrin's real "debt-free millionaire status" you can get it here at the [Genesee County Clerk in Michigan](#) (search Woodward, Orrin A): It's interesting that Orrin's \$1.05M condo appears to have been purchased with an \$860,000 mortgage.

"Beware when presented with "testimonies" from other distributors. These "success" stories rarely reflect reality."


Chris Brady, and Orrin Woodward are Quixtar "Founder's Diamonds. According to [2001 Quixtar data](#) the average IBO at this level grossed \$227,400 from Quixtar, not the millions implied. It would be easy for Quixtar to confirm if, in all of Mr. Woodward's 3 year Diamond career, he has even made a sum total of \$1 million from the business. Mr. Woodward might however make that when the profits from the Team Destiny illegal BSM pyramid are included.



The image above shows the additional sources of income IBOs can eventually have from the very lucrative TOD BSM's pyramid business selling tapes, books, seminars, and obtaining speaker's fees. Participation in the profits from the tools business is based upon one's success in building a Quixtar organization, and convincing downline IBOs to consume these items. These items have no customers outside of IBOs or prospects. The BSM profit sharing plan creates an economic incentive and a conflict of interest for IBOs to recommend the use of BSMs to their downline IBOs for the sheer sake of generating commissions without regard for the economic consequence to their downline IBO's personal profitability. This creates an inherently fraudulent scheme.

It appears that Quixtar might have told TOD to remove the "How the Money Works" page and its

controversial image from Orrin Woodward's website. The reason was "*this is important knowledge for a TOD IBOs, it is not intended to be shared with prospects as an enhancement to the plan showing process*" No doubt promotion of the BSMs pyramid as part of the Quixtar plan would bring on regulator criticism. Similar to how Quixtar clamped down on the Team In Focus BSM profits sharing plan.

In a 1983 audio taped speech entitled "Directly Speaking," Amway co-founder  Rich DeVos stated:

Let me talk to you about the legal side, beyond price fixing, that deals with pyramids, deals with the illegal operation of a business that does not have an end consumer, where product is not retailed. That would include all books and tapes. The sad news, folks, is when those things go out that way and they become excessive, beyond my ten or twenty per cent theoretical guideline, hopefully acceptable, to where it's a reasonable support system, but beyond the reasonable element, then it becomes an out and out illegal pyramid.

. . . when your tape volume becomes so great in relationship to your regular business, if not used as a support for the Amway business, - will oftentimes be an illegal business - in j it could be called a pyramid - because, - does not get sold to the consumer. Which means all the tape business does is take money out of the organization, and because the final person can't retail it, it never brings money into the organization. Now, I'm not arguing the value of the tape - we accept the fact that motivation is vital to this business. Good, honest motivation is important to the business. But, it must be motivation that builds the business - not become a business in itself. And some of you have made it a business in itself. . . And I am imploring of you to do two things. Number one, clean up your act. And number two, if you know people who are continuing to do things improperly after all of this, then I want you to write us a letter and just tell us who's doing it.

Directly Speaking, January 1983, Rich DeVos, Amway Cassette Series VA-2160.

In January 1983 the famous internal Amway "Postma" memo it stated:

The Tool business (motivation) is illegal. If I understand the MLM system, there are certain parameters that confirm its legality. Unlike the Koscot method of marketing, the MLM system moves a product to an ultimate consumer outside of the business structure; i.e., a customer. Although the Amway business is legal (no question), the tool business is not (my conclusion)

- a. It is a pyramid. It sells only to those who involved in its structure.*
- b. It may violate tax laws. It is hard to determine whether or not proper sales taxes are paid (especially in the state of Washington).*
- c. A real danger of inventory loading without the protection of a buy back rule exists. This has already occurred (Mackey). It will happen again.*
- d. It could be construed as an employer/employee relationship.*
- e. It is not a free enterprise opportunity. A downline Direct is not to compete with an upline Diamond*

Another Internal Amway Memo from 1982 states:

The following, important statement from Hogan & Hartson's 28 page legal evaluation of the legal risks inherent in selling and distributing non-consumable "products" through a multi-level system, has helped us greatly in getting the attention of the "systems" entrepreneurs:


"Because of the extensive and extremely adverse publicity associated with Glenn Turner's "Dare to be Great" operation -- **an operation based primarily on the sale of motivational tapes** -- it must be recognized that any multi-level sales plan which unduly emphasizes sales of motivational literature or tapes is likely to attract the attention of enforcement authorities!!!"


Reference: "Dare to be Great" motivational supplies pyramid cases [Kentucky] [Virginia] [SEC]

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."


Again, in the Quixtar product pyramid and the TOD motivational supplies pyramid, commissions are paid on personal consumption sales to the schemes' participants, despite the fact that the Michigan Attorney General says they should only be paid on sales to non participant end-user consumers.

"Pyramid promoters are masters of group psychology. Recruitment meetings create a frenzied, enthusiastic atmosphere where group pressure and promises of a large sum of money play upon people's greed and fear of missing a good deal."

 Orrin Woodward at Quixtar Live


 TOD-71 Orrin Woodward says how the volume of traffic on the Quixtar web site "melted" the IBM computers!


"Promoters also openly discourage thoughtful consideration and questioning of the scheme."


Don Freeze on  PPS-9 "You must submit to the system"

"The worst thing you can do for your business is to pick and choose within the system" TOD website

At recruitment meetings you might hear phrases like "this is a ground floor opportunity which will change your life", "opportunities don't go away, they go to other people", and "if you act now and work hard for three to five years, you can retire and live off of the residual income."

 PPS-20 Orrin Woodward "If you get started right now, you will be an early pioneer"

Bill Lewis on  PPS-36 says "you can make \$120,000/year for life"

Founder's Diamond Orrin Woodward, on  PPS-25 states:

"by working the business 3-4 hours a night for 5-6 days a week, for two years and after two years you will retire with triple your salary with a growth rate of 25%-50% every quarter"


"Another warning sign is a confusing compensation plan."


Diamond Chris Brady on PPS-39 "Every year it gets bigger... we don't even know what we make .. *What do you make Chris? I have no idea.....I don't understand it!*"

Here is the [link to file a complaint](#) with the Michigan Attorney General if you think you were conn
Addresses for the complaint are at the bottom. TOD is also a member of the [Better Business Bureau](#). Y
can also [complain to them](#). You will need the information below.

Team of Destiny Inc. registered in Michigan Num: 30132A
WOODWARD INTERNATIONAL NETWORKING SYSTEMS,
INCORPORATED
Agent: ORRIN A WOODWARD
105 E SECOND ST STE 1
DAVISON MI 48423
The Address is from the [State of Michigan website](#)

Quixtar Corporation
5101 Spaulding Plaza
Grand Rapids, MI 49355
616-787-7800

[Back to the home page](#) 

[Link to the Fair Use Provision of the US Copyright Law.](#) 

TOD boasts a membership of 30,000 IBOs yet they recognize about 75 platinum distributorships.
Their ratio of IBOs to platinum distributors must be one of the lowest in the business coming in at
in 400 versus the 2001 Quixtar average of 1 in 235. If TOD just maintained the Quixtar average
(.4242%) they should have over 127 Platinums IBOs for a membership of 30,000 IBOs.

Help me put together the TOD line of sponsorship.

	IBO	Upline Platinum
Founder's Diamond	Chris and Terri Brady	Orrin Woodward
Diamond	Tim and Amy Marks	Bill Lewis
Sapphire	Matt and Cheryl Abraham	Orrin Woodward
Platinum	Mike and Lisa Barrett	
Platinum	Kirk and Cassie Birtles	
Platinum	Eric Blomdahl	
Platinum	Joen and Beth Ann Bodtker	
Founder's Platinum	Dwayne and Janet Boyd	
Founder's Platinum	Dean and Tracie Clouse	
Platinum	Ron and Sara Day	
Platinum	Shaun and Lana Denman	
Founder's Platinum	Bob and Mary Dickie	
Platinum	Tom and Kathy Eiden	
Platinum	Mike and Carol Foos	
Platinum	Darrin and Tressa Farough	
Sapphihre	Don and Chris Freeze	Orrin Woodward
Platinum	Mike & Viola Gowen	
Platinum	Kevin and Caroline Grabowski	
Sapphire	Jeff and Barb Granger	
Emerald	George and Jill Guzzardo	
Platinum	Mark and Rita Haas	

Emerald	James Halter	
Platinum	Josh and Courtney Hrinik	
Founder's Platinum	Bob and Deb Hemmila	
Founder's Platinum	Doug Huber	
Founder's Emerald	Mark and Anna Huber	Chris and Terri Brady
Platinum	John and Marirose Ilkka	
Emerald	Mike and Nancy Jones	
Emerald	Steve and Corrie Jones	
Founder's Platinum	Mike Kassem	
Platinum	Leon and Jan Kelly	
Platinum	Wayne and Leanna Kircher	
Platinum	Larry Kirkley	
Platinum	Kyle and Serena Langston	
Emerald	Bill and Jackie Lewis	Mark and Anna Huber
Platinum	Jason and Barb MacSuga	
Sapphire	Dan and Corrina Madar	
Platinum	Basam and Carrie Malik	
Platinum	Jim and Dolores Martin	
Platinum	John and Diana Martinez	
Platinum	Dave and Tracy McDade	
Sapphire	Joe and Jane McGuire	
Platinum	Mike and Camille McGuire	
Founder's Platinum	John and Melanie Morgan	
Platinum	Steve and Beth Morgan	
Platinum	John and Lynn Mossner	
Platinum	Dan and Vicki Newbauer	
Founder's Platinum	Paul and Lois Nobles	
Platinum	Renee Oettinger	
Platinum	Tony & Gina Padilla	
Sapphire	Nik and Sham Palomaki	
Platinum	Chris Park	
Platinum	Nate and Jennifer Patmos	
Sapphire	Mark and Jenn Paul	
Founder's Platinum	Shawn and Shari Pillsbury	
Platinum	Colby and Kim Potts	
Platinum	Aron and Mary Radosa	
Platinum	Greg Rau	Orrin Woodward
Platinum	Michelle Rauschenbach	
Platinum	Rick and Amy Reed	
Platinum	Joe and Donna Rohde	
Platinum	Scott and Missy Russell	
Founder's Platinum	Pat and Lisa Semple	
Platinum	Chris and Heidi Smith	
Sapphire	Holger Spiewak	
Ruby	Doug and Sheri Stroh	
Platinum	Jeff and Rebeka Taylor	
Emerald	Larry and Marsie VanBuskirk	
Platinum	Dan Whiting	
Platinum	Eric and Brandi Wilson	
Platinum	Wendy Yurgo	

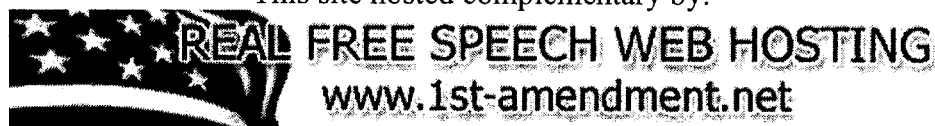
Sapphire
Founder's Platinum

Ed and Lynette Zentner
Matt and Sarah Zimmermann

X

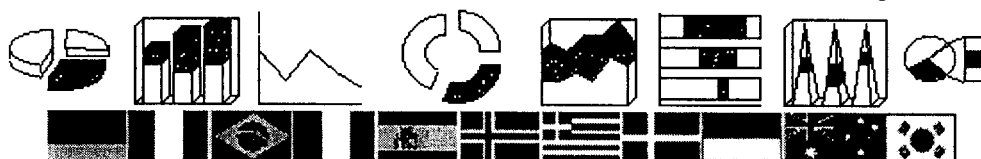
Main Identity

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"The Web's largest public collection of Quixtar and Amway information"

Quixtar Amway Business Analysis



Last update 1/22/04 - 960,0478 Unique Visitors since 2/28/98 - 35,183 Visitors last month [Volunteer to translate](#)

[Rebuttal to Orrin Woodward's - "Complementary Businesses" argument](#)

[Andy Andrews reads Quixtar letter - 98% of IBOs shouldn't know there is income from the tools](#)

[History of the Amway/Quixtar lawsuits - A summary page of the important cases](#)
[Quixtar's Arbitration Agreement" - "Fundamentally Unfair and Unconscionable"](#)

[Quixtar an Illegal Pyramid? Q&A about Amway/Quixtar's legal history](#)

[Team of Destiny® - an illegal pyramid? - See the Michigan AG's definition.](#)

[Analysis of a Team of Destiny® Open meeting - Double check the numbers they claim.](#)



[Resigned Diamond Bo Short's - frank discussion about the biz.](#)





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[The Amway/Quixtar IBO Hall of Shame - "In Amway you trust everyone" NOT!](#)

[New Pins listed here! Don't throw those '70's and '80s Amagrams away.](#)

[Team In Focus- What is up with them now?](#)

Welcome information seekers! This site presents common sense business analysis and realistic views of the Amway/Quixtar business model. If you are looking at Quixtar or Amway as a way to make some money, you will want to take some time to understand how it works. This site is here to spark your curiosity to ask better questions so you can make a more informed decision.

Anyone starting a business should make a business plan using realistic numbers. List its competitive advantages and disadvantages. Study the prices  if you were told you would save money buying products from Quixtar. Try the products for yourself. Make a shopping list to see how much you need to buy to make 100 points. Study the rules and regulations , and how the bonuses work. Understand the profitability of the various products and partner stores. Use the  to see how much money you and your downline friends would really make for your time. Study the many lines of sponsorship  and the various ways they can operate the business. Understand that many of the top IBOs make more money selling you tapes and seminars than they do from the product side of the business. Ask to see your upline

Platinum or Emerald's calendar or planner. Understand just how much time the "successful" people are working the business. Ask the successful upline Diamond to prove the "fruit on their tree". Is it from moving Amway products, or from selling tapes and seminars? Ask them to show you how you too can make money off the tapes and seminars.

Be aware that the Business Support Materials Arbitration Agreement (BSMAA) you sign to join Quixtar binds you to arbitration and silence should you be cheated in the business. Quixtar claims that Business Support materials are backed by a 100% money back policy. There is no such assurance, just read the BSMAA. Their arbitration is also more expensive than going to court. Arbitration through Quixtar's exclusive firm JAMS/Endispute Inc costs \$400/hour.

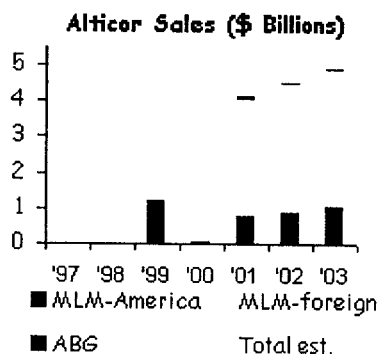
You should perform a higher level of due diligence compared to other business investments. You will not only be risking your time and money, but that of your friends you recruit. Don't risk your time, money and reputation on inadequate research.

"Decisions of the kind the executive has to make, are not made well by acclamation. They are made well only if based on the clash of conflicting views; the dialog between different points of view; the choice between different judgements" Peter F Drucker - "The Effective Executive"

"Information is the fuel we use to keep our minds working properly. Deny a person the information he requires to make sound judgements, and he will be incapable of doing so." Steve Hassan, Combatting Cult Mind Control

Business Results 2003

Quixtar is a Multi-Level-Marketing (MLM) opportunity. It is promoted by Alticor, formerly Amway. In 2001 Quixtar replaced the North American Amway business opportunity.



Both Alticor and Quixtar reported increased sales for 2003 over 2002. Total sales are still off from the 1997 peak. Alticor's 2003 North American MLM sales at Quixtar were \$1,035 million, increasing 1% from 2002. Quixtar's North American sales are still just 86% of Amway's North American sales in 1999. Quixtar's sales from Partner Stores increased 2% from 2002, and are still off 18% from their debut peak in 2000.

IBO's pay-out increased to 31.3% of sales, up from 27.4% in 2000. The payout margin increase was due to the Diamond and Emerald Group Promotions as well as a new emphasis on moving Amway core products that have higher profit margins.

In 2002, one half million IBOs shared in the \$282 million in bonuses, for a gross average payout of \$564 per IBO, up from Quixtar's first year gross average payout of \$360. Despite record payouts, Quixtar reported in their October 2003 SA4400 that the typical IBO earned \$115/month; the same as for previous three years. Quixtar did not report how many IBOs shared in the 2003 \$343 million payout. In the 1979 Amway FTC case it was reported that, 360,000 distributor earned \$60 million from Amway (\$166/distributor) in 1976. Despite today's expanded product line, catalog products, ditto delivery through partner stores, the inflation adjusted 2002 gross payout per Quixtar IBO in 2002 was 16% lower than that of Amway distributors in 1976.

After 4 years, WWDB's Brad Duncan's and Ron Puryear's prediction that Quixtar will be a \$ billion company in 5 years is still far from view. Despite completely cannibalizing the sales from the North American Amway business opportunity, Quixtar has yet to surpass 1% of that prediction or even Amway's 1997 North American sales peak.

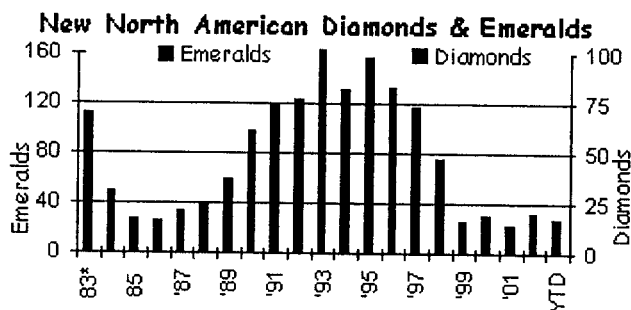
Quixtar Q12 Business Statistics reported in October 2002

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Derivations from the data:

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- B. There were 722,000 IBOs instead of the 500,000 reported. (\$901 million/\$104/month)
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Quixtar paid IBOs an average of 31% of sales in 2003. Each IBO buying \$250 per month would generate gross commissions of just \$940 per year despite possible annual expenses of \$2,000 or more. The volume of a "platinum group" of one hundred such IBOs would generate total commissions of about \$94,000 per year. There are about \$70,500 in bonuses available for those inside the platinum group.


IBO's payments for their sponsor's "optional but necessary" training system of motivational tape seminars, and travel expenses are usually greater than the profit available from their personal sales volume. It is not uncommon for some IBOs to spend more on promotional and motivational tape seminars, and travel than they even have in personal sales. The business as it was taught to me made very little sense. People were taught to reproduce businesses having \$200 in sales per month yet expenses of \$250/month. This ridiculous idea would result in an average loss of \$104/month. Numerous lawsuits over the division of the tape and seminar profits, among Diamond distributors, provide sufficient evidence that the lavish Diamond lifestyle is financed by the tape and seminar profits.

"The tool and function business generates enormous profits. Simply put, the money is not in the Amway business; it is in the hype of the Amway business." - from Quixtar suit filed by Crown Ker Stewart, Double Diamond Brig Hart and Diamond Charlie Schmitz


If the system were really in place to help IBOs grow their businesses, then why do they charge \$6.75 per audio cassette, which costs only fifty cents to duplicate in bulk? If the Quixtar business were profitable at higher levels, then why must the "systems" cost so much that they take all of the lower level IBOs bonuses?

If only 15% of IBOs in the platinum group actively promoted their business and spent an average \$3,000 yearly on the tapes, seminars, travel and other expenses, then each active business would have an average annual net profit of just \$2,700, assuming the other 85% earned nothing. If these IBOs were married couples working each just 7 hours per week on the business, a couple's time would have an average net compensation of just \$4/hour. The low sales productivity of the 100 PV model is a reason why the majority of IBO's incomes are so low. Average IBO income can only be increased by increasing personal sales, not by recruiting more IBOs. The average sales per Quixtar IBO in 2002 were just \$150/month. The groups with the highest profit per IBO will also be those with the highest average retail customer sales.


See how profitable various business scenarios are for you and your friends.  [Online IBO calculator](#)

Despite plan showings claiming Gold and Silver producers to earn \$1,000/month or more, many are "broke" due to the "system" expenses.  [Crown Ambassador - Dexter Yager "The Golds and Silvers are broke"](#)

In 1999 The average gross income for an active Amway IBO was \$1056/year. - Amway Corp.

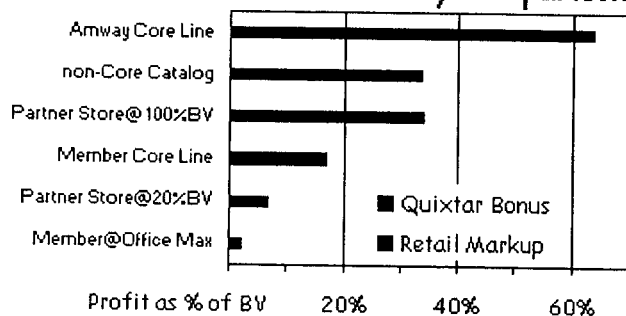
"In 2003 the average renewed and active IBO surveyed earned \$115/month (\$1380/year)." - SA-4400 

If IBOs below platinum want to work just 8 hours per week and gross an average wage of at least that of a \$6/hr McDonalds burger flipper, then IBOs and their downline friends each need to move about \$1,000/month at IBO cost (or \$2,000/month to Members) to generate the necessary bonus money. The \$200/month "buy from yourself" sales plan with 8 hours work per week generates only \$1.88 per hour in bonuses for IBOs. Using Quixtar's average IBO earnings of \$115/month per active IBO and assuming 8 hours per week of work, the average active IBO earns just \$3.44/hour before expenses from their business.

 [Amway Co-founder - DeVos](#) "Your business will grow in proportion to your ability to retail product

Retail sales are needed to keep the business from being considered an illegal pyramid scheme so IBOs required to sell at least \$100/month or 50PV to qualify for a bonus on their downline's volume. Quixtar enforcing their retail sales rule using data from their computers. However, this low sales requirement is just a fraction of the actual sales needed to generate a competitive income from the business for the typical IBO.

Quixtar IBO Profitability Comparison



Most name brand products available from Quixtar. Partner stores pay out a much smaller percentage than the Amway core products and carry no retail markup for IBOs. The most money will be made from selling the Amway core product line at retail prices. Member purchases generate only half the bonus points and retail markup. A customer paying retail prices can be over three times as profitable as a Member.

Most people can afford the annual losses of an AmQuix business compared to the potential losses of traditional businesses with poor business models. IBOs are quick to claim that 80%-95% of all new traditional businesses are out of business in 5 years, without knowing the real facts. Traditional businesses are surely much more complicated, have no training system, no mentors, and cost much more to start and operate, but they also have a much higher productivity than AmQuix businesses. Many IBOs also mistakenly believe the business has a "tax advantage", which allows them to claim paper losses to offset salary and wage income to reduce their tax bill. The Amway distributor related tax court cases will show that this "tax advantage" is always disallowed once IBOs are challenged by the tax court.

If IBOs just had sufficient retail volume there is no reason for IBOs to lose money even in the first year. IBOs losing money have either too little in retail sales or they spend too much on their upline's system. An IBO selling 7,500PV or about \$17,000 a month of core products to loyal customers at retail prices can gross \$100,000/year. If the products at suggested retail prices were so price- or quality-competitive, why do more IBOs not just retail and make \$100,000/year? Yet, given this unlimited income opportunity, why does the average renewing, active IBO choose to earn only \$115/month?

IBO site visitors write me saying that the majority of their unsuccessful peers are just plain lazy, and that's why they don't make more money. But, if they were so lazy, why would they spend the money to renew their business and be counted in the income survey? There must be more to the issue than just being "lazy". Maybe this former Quixtar Diamond, these former Platinums, and normal IBOs can shed some light on the situation....

Resigned Diamond Bo Short -- Former Directs and higher -- Case studies of those who did the work

Is Quixtar A Better Way to Distribute Goods?

"Network Marketing is the most focused, most efficient way to market, that you will ever run into"

Double Diamond-Greg Duncan-tape: "EDC Attitude" RP419

Those curious enough to run some numbers will find that the \$200 model is terribly time inefficient at distributing products and at making money for its participants. Given the low sales productivity, and high expense-to-personal sales ratio, there will be hundreds of IBOs working for next to nothing so that few can claim large checks.

Lottery players accept below-odds compensation and are willing to consistently lose a small amount

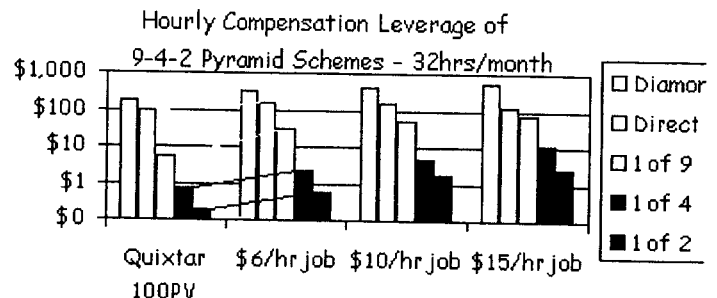
exchange for a remote chance of winning a large jackpot. Lotteries make money by exploiting the participant's willingness to ignore the unfavorable odds. Lotteries leverage the small losses from masses so that one or two can claim a large jackpot. In the same manner, Multi-Level-Market companies like Alticor employ highly leveraged compensation schemes, exploiting the fact that so many people will work as independent contractors for substandard compensation in exchange for the remote chance to be "financially free".

There is no magic to the Quixtar compensation plan. It is a highly leveraged plan, paying those at the bottom almost nothing so that their effort is leveraged up to richly compensate the upline. Traditional businesses can't apply the same leverage since they must pay minimum wage and the employer's match the Social Security tax. Traditional business owners could generate the same "time leveraging" for themselves, if they could just find enough people willing to work for \$1-\$2/hour, no benefits, and pay for their own training like Quixtar IBOs do for their upline Diamonds. Due to the low sales productivity, Alticor could never afford to pay IBOs even minimum wage for the inefficient way IBOs promote Alticor products.

Many IBOs promote the effortless "residual income" possibilities of AmQuix. Yet, Triple Diamond IBO Puryear [comments](#) about how other MLMs can't make a lot of easy money for some without having many others making nothing. Most IBOs who believe they are underpaid in their jobs never accept the fact that they are making a lot less working for Quixtar and their upline. According to Triple Diamond IBO Puryear, there is a [constraining order](#) from the SEC not to use the word "residual" in promoting the business.

"One must turn outside the world of business - to religion and politics - to find people who work as hard for a little financial reward as most Amway people do." Forbes Magazine Dec 9, 1991

IBOs could have a lot more money in the end, leveraging their superior job productivity with a redistribution scheme that mirrors Quixtar's. This chart shows the superior pyramided results of job compensation using the AmQuix compensation scheme. My [pyramid scheme](#) would make money more efficiently for IBOs than Quixtar's 100PV plan.



"Pro-sumer is the concept that says the cheapest buy is not necessarily the best, and that a person will not be rich by consumption. I spent \$250 at Quixtar for what would cost \$200 at Walmart, but I got \$135 back. I don't sell anything."-----"I'll be the first to admit...you do not save money from buying the products. Actually, they are expensive. But...we have to practice what we preach you know?" IBO - Site Visitors

For "Pro-Suming" IBOs and IBOs just "buying from themselves" with little retailing of product, AmQuix is nothing more than a "buyers club" pyramid scheme. IBO's in this mode willingly sacrifice their time to pay higher prices [so](#) that they can participate in this last "legal" pyramid scheme.


[Amway Co-founder - Rich DeVos](#) "Wholesaling only (in MLM) is an illegal business."

Many IBOs hope to gain volume just by referring people to the Quixtar WEB site. They will soon find that without a little product education (selling) that their referrals will probably not purchase much. Multi-lines-of-sponsorship down play retailing and teach IBOs to just buy more from their own "store" to increase


volume. This may be because they believe selling is not duplicable, or the prices are not competitive enough to risk time trying to retail. Since retail customers don't buy the higher profit margin motivational tapes and seminars, it is more advantageous for the Diamonds and Emeralds to stress recruiting instead of retailing products.

"Recruits are brainwashed into spending a fortune on peripherals while consuming Amway products. They either lose their shirts or begin making money by getting enough people underneath to do the same."
Don Gregory former speechwriter for Amway's Co-founder Jay Van Andel Forbes March 25, 1985

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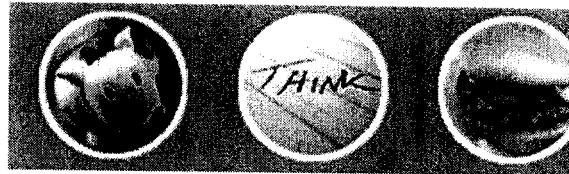
Link to the Fair Use Provision of the US Copyright Law. 
[IBOfacts.com](#) A rebuttal to the IBOA Board's web site

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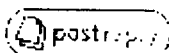
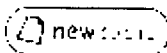
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Testimony from former TODers and TOD prospects



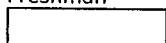
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Author

Message

whoz
Freshman



Joined: 03 Nov 2003
Posts: 15

Posted: Wed Feb 18, 2004 11:42 am Post subject: Testimony from former TODers and TOD prospects

My site is coming under fire from TOD attorneys and I need testimony from TOD ex IBOs and prospects. see www.amquix.info/tod_round_1.html

I am looking for testimony mainly concerning selling and faking the MC volume rule with self reporting. www.amquix.info/tod_mc.html

If you tried to return tools or function tickets please describe your experience and v percentage of the price you finally got back.

Please post similar requests on your bulletin boards if you have them.

Thanks,

Scott

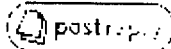
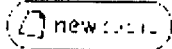
www.amquix.info/amway.html

Scott

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Main Identity



Testimony from Team of Destiny [®] IBOs and Prospects

To help back up my criticism of TOD practices and to support my opinions about TOD business practices, I am collecting testimony form TOD IBOs. If you have similar stories to that below please write me. The TOD attorneys are threatening me. Please note the people in your upline and any specific rules violations you observed. Please note your experience with obtaining refunds for your tapes and seminar tickets. Please be aware anything you send me can be published on this page. If you don't want it published, don't send it. Please include name and address and whether you want your name to be published or not. I will keep all e-mails and addresses private.

Are you still interested in new info? I am a current IBO for Quixtar via the Team of Destiny.

I have been involved for less than a month. I started to question things when I couldn't see how they generated any income when I am constantly told that all I need to do is buy some products for myself and recruit new IBO's (they don't like the term 'recruit'). But 'show the plan' means the same thing. I went to the Fall Leadership 'Major' function in Grand Rapids, Michigan and became very disillusioned (leaving early) and finally found some information on the internet that led me to you. I have not yet quit, I have told them that I need to talk to someone who can help me understand. I have told them that I was disappointed in the level of honesty and integrity that I have seen from the 'big guys'. But that is as far as I have gone. Can I help you in any way? I just cannot go out and deceive anyone else to get them to join, but I am willing to stay in if I can be of value and help prevent anyone else from becoming a victim.

A.

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Main Identity**Quixtar Amway Business Analysis**

"The Web's largest public collection of Quixtar and Amway information"



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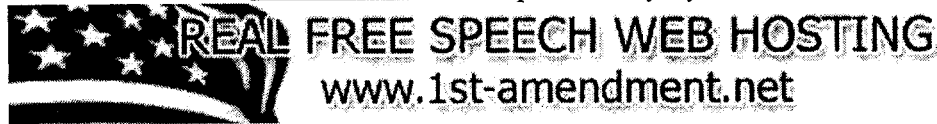
The Quixtar Business Analysis

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[History of the Amway/Quixtar lawsuits](#) - A summary page of the important cases

[Team of Destiny®](#) - an illegal pyramid? - See the Michigan AG's definition.

[Resigned Diamond Bo Short's](#) - frank discussion about the biz.

[The Amway/Quixtar IBO Hall of Shame](#) - "In Amway you trust everyone" **NOT!**

[New Pins listed here!](#) Don't throw those '70's and '80s Amagrams away.

[Team In Focus](#)- What is up with them now?

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operate the business. Understand that many of the top IBOs make more money selling you tapes and seminars than they do from the product side of the business. Ask to see your upline Platinum or Emerald's calendar or planner. Understand just how much time the "successful" people are working the business. Ask the successful upline Diamond to prove the "fruit on their tree". Is it from moving Amway products, or from selling tapes and seminars? Ask them to show you how you too can make money off the tapes and seminars.

Be aware that the Business Support Materials Arbitration Agreement (BSMAA) you sign to join Quixtar binds you to arbitration and silence should you be cheated in the business. Quixtar claims that Business Support materials are backed by a 100% money back policy. There is no such assurance, just read the BSMAA. Their arbitration is also more expensive than going to court. Arbitration by Quixtar's exclusive firm JAMS/Endispute Inc costs \$400/hour.

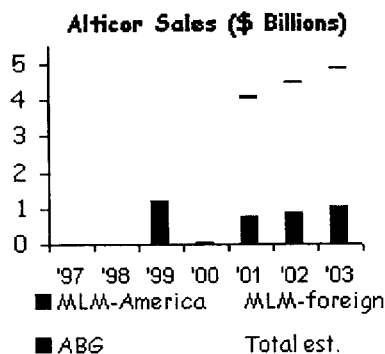
You should perform a higher level of due diligence compared to other business investments. You will not only be risking your time and money, but that of your friends you recruit. Don't risk your time, money and reputation on inadequate research.

"Decisions of the kind the executive has to make, are not made well by acciamation. They are made well only if based on the clash of conflicting views; the dialog between different points of view; the choice between different judgements" Peter F Drucker - "The Effective Executive"

"Information is the fuel we use to keep our minds working properly. Deny a person the information he requires to make sound judgements, and he will be incapable of doing so."
Steve Hassan, Combatting Cult Mind Control

Business Results 2003



Quixtar is a Multi-Level-Marketing (MLM) opportunity. It is promoted by Alticor, formerly Amway. In 2001 Quixtar repla the North American Amway business opportunity.




Both Alticor and Quixtar reported increased sales for 2003 over 2002. Total sales are still off from the 1997 peak. Alticor's 2003 North American MLM sales at Quixtar were \$1,035 million, increasing 15% from 2002. Quixtar's North American sales are still just 86% of Amway's North American sales in 1999. Quixtar's sales from Partner Stores increased 2% from 2002, and are still off 18% from their debut peak in 2000.

IBO's pay-out increased to 31.3% of sales, up from 27.4% in 2000. The payout margin increase was due to the Diamond Emerald Growth Promotions as well as the new emphasis on moving Amway core line products that have higher profit margins.

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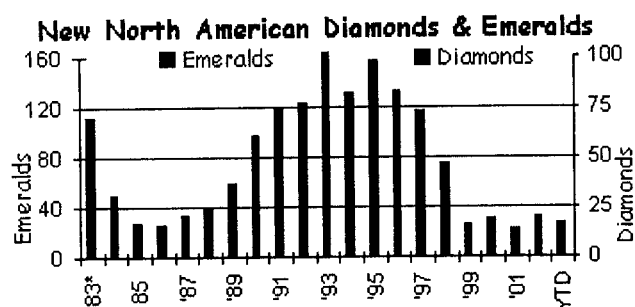
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In order to attract the most participants, many groups teach their prospects to just change their shopping habits and purchase \$200-\$250/month of products from their "own business". Since "selling" turns many people off, many groups teach their prospects to simply "redirect their buying power" and "buy from themselves". They should then teach others to do the same.


Quixtar paid IBOs an average of 31% of sales in 2003. Each IBO buying \$250 per month would generate gross commission of just \$940 per year despite possible annual expenses of \$2,000 or more. The volume of a "platinum group" of one hundred top IBOs would generate total commissions of about \$94,000 per year. There are about \$70,500 in bonuses available for top IBOs inside the platinum group.


IBO's payments for their sponsor's "optional but necessary" training system of motivational tapes, seminars, and travel expenses are usually greater than the profit available from their personal sales volume. It is not uncommon for some IBOs to spend more on promotional and motivational tapes, seminars, and travel than they even have in personal sales. The business as it was taught to me made very little sense. People were taught to reproduce businesses having \$200 in sales per month yet expense \$250/month. This ridiculous idea would result in an average loss of \$104/month. Numerous lawsuits over the division of tape and seminar profits, among Diamond distributors, provide sufficient evidence that the lavish Diamond lifestyle is financed by the tape and seminar profits.

"The tool and function business generates enormous profits. Simply put, the money is not in the Amway business; it is the hype of the Amway business." - from Quixtar suit filed by Crown Kenny Stewart, Double Diamond Brig Hart and Diamond Charlie Schmitz


If the system were really in place to help IBOs grow their businesses, then why do they charge \$6.00-\$7.50 per audio cassette which costs only fifty cents to duplicate in bulk? If the Quixtar business were so profitable at higher levels, then why must "systems" cost so much that they take all of the lower level IBOs bonuses?

If only 15% of IBOs in the platinum group actively promoted their business and spent an average of \$3,000 yearly on the seminars, travel and other expenses, then each active business would have an average annual net profit of just \$2,700, assuming the other 85% earned nothing. If these IBOs were married couples working each just 7 hours per week on the business, their couple's time would have an average net compensation of just \$4/hour. The low sales productivity of the 100 PV model explains the majority of IBO's incomes are so low. Average IBO income can only be increased by increasing personal sales, by recruiting more IBOs. The average sales per Quixtar IBO in 2002 were just \$150/month. The groups with the highest profit per IBO will also be those with the highest average retail customer sales.


See how profitable various business scenarios are for you and your friends.  [Online IBO calculator](#)


Despite plan showings claiming Gold and Silver producers to earn \$1,000/month or more, many are "broke" due to the "system" expenses.  [Crown Ambassador - Dexter Yager "The Golds and Silvers are broke"](#)

</TD

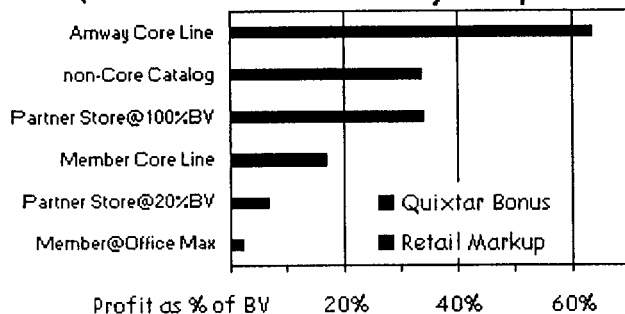
In 1999 The average gross income for an active Amway IBO was \$1056/year. - Amway Corp. "In 2003 the average renewed and active IBO surveyed earned \$115/month (\$1380/year)." - SA-4400 

If IBOs below platinum want to work just 8 hours per week and gross an average wage of at least that of a \$6/hr McDonald's burger flipper, then IBOs and their downline friends each need to move about \$1,000/month at IBO cost (or \$2,000/month Members) to generate the necessary bonus money. The \$200/month "buy from yourself" sales plan with 8 hours work per week generates only \$1.88 per hour in bonuses for IBOs. Using Quixtar's average IBO earnings of \$115/month per active IBO assuming 8 hours per week of work, the average active IBO earns just \$3.44/hour before expenses from their business.

 [Amway Co-founder - DeVos "Your business will grow in proportion to your ability to retail products"](#)

Retail sales are needed to keep the business from being considered an illegal pyramid scheme so IBOs are required to sell at least \$100/month or 50PV to qualify for a bonus on their downline's volume. Quixtar is enforcing their retail sales rule  using data from their computers. However, this low sales requirement is just a fraction of the actual sales needed to generate competitive income from the business for the typical IBO.

Quixtar IBO Profitability Comparison



Most name brand products available from Quixtar Partner stores pay out a much smaller percentage than the Amway products and carry no retail markup for IBOs. The most money will be made from selling the Amway core product line at retail prices. Member purchases generate only half the bonus points and no retail markup. A customer paying retail prices can be three times as profitable as a Member.

Most people can afford the annual losses of an AmQuix business compared to the potential losses of traditional businesses with poor business models. IBOs are quick to claim that 80-95% of all new traditional businesses are out of business in 5 years, without knowing the real facts. Traditional businesses are surely much more complicated, have no training system, no mentors, and cost much more to start and operate, but they also have a much higher productivity than AmQuix businesses. Many IBOs also mistakenly believe the business has "tax advantage", which allows them to claim paper losses to offset salary and wage income and reduce their tax bill. The Amway distributor related tax court cases will show that this "tax advantage" is always disallowed once IBOs are challenged by the tax court.

If IBOs just had sufficient retail volume there is no reason for IBOs to lose money even in the first year. IBOs losing money have either too little in retail sales or they spend too much on their upline's system. An IBO selling 7,500PV or about \$17,000 a month of core products to loyal customers at retail prices could gross \$100,000/year. If the products at suggested retail prices were so price- or quality-competitive, how come more IBOs don't just retail make \$100,000/year? Yet, given this unlimited income opportunity, why does the average renewing, active IBO choose to earn only \$115/month?

IBO site visitors write me saying that the majority of their unsuccessful peers are just plain lazy, and that is why they don't make more money. But, if they were so lazy, why would they spend the money to renew their business and be counted in the income survey? There must be more to the issue than just being "lazy". Maybe this former Quixtar Diamond, the former Platinums, and normal IBOs can shed some light on the situation....

Resigned Diamond Bo Short -- Former Directs and higher -- Case studies of those who do the work

Is Quixtar A Better Way to Distribute Goods? *"Network Marketing is the most focused, most efficient way to market, that you will ever run into"* Double Diamond-Greg Duncan-tape: "EDC Attitude"

RP419

Those curious enough to run some numbers will find that the \$200 model is terribly time inefficient distributing products and at making money for its participants. Given the low sales productivity, and the high expense-to-personal sales ratio, there will be hundreds of IBOs working for next to nothing so that a few claim large checks.

Lottery players accept below-odds compensation and are willing to consistently lose a small amount in exchange for a remote chance of winning a large jackpot. Lotteries make money by exploiting the participant's willingness to ignore the unfavorable odds. Lotteries leverage the small losses from the masses so that one or two can claim a large jackpot. In the same manner, Multi-Level-Marketing companies employ highly leveraged compensation schemes, exploiting the fact that some people will work as independent contractors for substandard compensation in exchange for the remote chance to be "financially free".

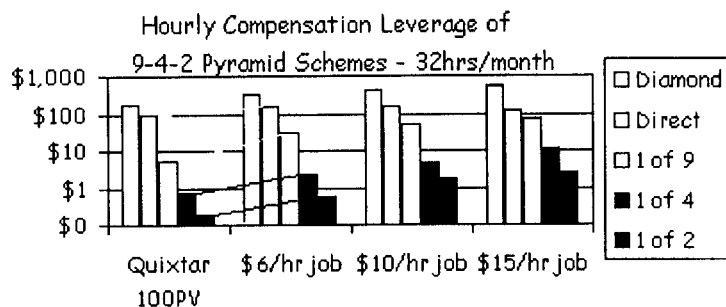
There is no magic to the Quixtar compensation plan. It is a highly leveraged plan, paying those at the bottom almost nothing so that their effort is leveraged up to richly compensate the upline. Traditional businesses can't apply the same leverage since they must pay minimum wage and the employer's match of the Social Security tax. Traditional business owners could generate the same "time leveraging" for themselves, if they could just find enough people willing to work for \$1-\$2/hour, no benefits, and pay for their own training. Quixtar IBOs do for their upline Diamonds. Due to the low sales productivity, Alticor could never afford to pay IBOs even minimum wage for the inefficient way IBOs promote Alticor's products.

Many IBOs promote the effortless "residual income" possibilities of AmQuix. Yet, Triple Diamond Ron Pury comments about how other MLMs can't make a lot of easy money for some without having many others making nothing. Most IBOs who believe they are under paid in their jobs never accept the fact that they are making a lot less working for Quixtar and their upline. According to Triple Diamond Ron Puryear, there is a constraining order from the SEC not to use the word "residual" in promoting the business.


"One must turn outside the world of business - to religion and politics - to find people who work as hard for little financial reward as most Amway people do." Forbes Magazine Dec 9, 1991

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IBOs could have a lot more money in the end, leveraging their superior job productivity with a redistribution scheme that mirrors Quixtar's. This chart shows the superior pyramided results of job compensation using AmQuix compensation scheme. My pyramid scheme would make money more efficiently for IBOs than Quixtar 100PV plan.



"Prosumer is the concept that says the cheapest buy is not necessarily the best, and that a person will never be rich by consumption. I spent \$250 at Quixtar for what would cost \$200 at Walmart, but I got \$135 back, don't sell anything."-----"I'll be the first to admit...you do not save money from buying the products. Actually they are expensive. But...we have to practice what we preach you know?" IBO - Site Visitors

For "Pro-Sumering" IBOs and IBOs just "buying from themselves" with little retailing of product, AmQui: nothing more than a "buyers club" pyramid scheme. IBO's in this mode willingly sacrifice their time and higher prices  so that they can participate in this last "legal" pyramid scheme.


 Amway Co-founder - Rich DeVos "Wholesaling only (in MLM) is an illegal business."

Many IBOs hope to gain volume just by referring people to the Quixtar WEB site. They will soon find out that without a little product education (selling) that their referrals will probably not purchase much. Many IBOs sponsor down play retailing and teach IBOs to just buy more from their own "store" to increase volume. This may be because they believe selling is not duplicable, or the prices are not competitive enough to invest time trying to retail. Since retail customers don't buy the higher profit margin motivational tapes seminars, it is more advantageous for the Diamonds and Emeralds to stress recruiting instead of retail products.

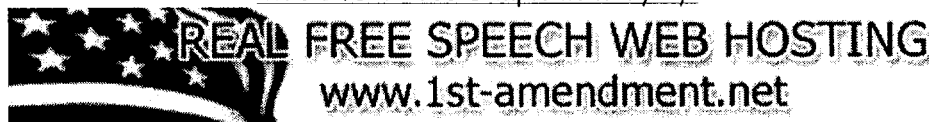
"Recruits are brainwashed into spending a fortune on peripherals while consuming Amway products. They either lose their shirts or begin making money by getting enough people underneath to do the same." Don Gregory former speechwriter for Amway's Co-founder Jay Van Andel Forbes March 25, 1985

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[Click here to continue](#)

Link to the Fair Use Provision of the US Copyright Law. 
[IBOfacts.com](#) A rebuttal to the IBOA Board's web site

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Main Identity

From: "Tom Kuiper" <kuiper@wheelerupham.com>
To: "katie alvarez"
Sent: Friday, February 20, 2004 4:10 PM
Subject: amquix_whats_new
K: Please print. Thanks, Tom



New Pages

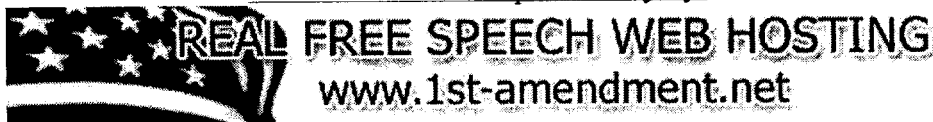
- Feb 14, 2004 [Communications with TOD lawyer](#), Thomas Kuiper over the content of this site.
Round: [\[1\]](#), [\[2\]](#), [\[3\]](#), [\[4\]](#)
- Feb 14, 2004 [Bo Short's Rebuttal to Orrin Woodward's Complementary Business Argument.](#)
- Feb 12, 2004 [RICO Expert Robert Blakey](#)  - Compares Amway methods to organized crime syndicates
- Feb 7, 2004 [Senator Sue Myrick pays back Amway/Quixtar with favorable legislation](#)
- Feb 1, 2004 [Rebuttal to Orrin Woodward's Complementary Business Argument.](#)
- Jan 31, 2004 [Quixtar wants to keep tools income secret from prospects and IBOs.](#) Andy Andrews reads Quixtar letter stating 98% of IBOs shouldn't know there is income from the tools business.
- Jan 21, 2004 [History of the Amway/Quixtar lawsuits](#) - A summary page of the important cases
- Jan 16, 2003 [Analysis of a Team of Destiny ® open meeting.](#)
- Dec 23, 2003 [Rebuttal to Orrin Woodward's explanation of "the Member Client and 70% rules"](#)
- Dec 8, 2003 [Rebuttal to Ken McDonald's "Facts about Quixtar"](#)
- Nov, 23, 2003 [Q&A about Illegal Pyramid Schemes](#) - Q&A about Amway/Quixtar's *legal* history
- Nov, 9, 2003 [National Do-Not-Call Registry](#) - The new rules apply to IBOs.
- Oct, 26, 2003 [Quixtar Arbitration Agreement - "Fundamentally Unfair and Unconscionable"](#)
- Oct 6, 2003 [Team of Destiny ®](#) - Compared to the Michigan Attorney General's page on pyramids
- Sep, 2003 [Attorney General Complaint](#) - Write your testimony for a complaint
- Sept. 4, 2003 [The Shaws](#) - Executive Diamond couple bilks \$10 million from victims in loan scheme
- August 31, 2003 [Trevor Jones](#) - Emerald couple run Ponzi scheme taking \$2 million from IBOs and others.
- August 7, 2003 [Quixtar sued](#) - Crown, Double Diamond, Diamond IBOs sue Quixtar over tools conspiracy
- August 1, 2003 [The Diamonds who weren't....](#) - Hal & Harriet Lyons fake their way to Diamond Club 2002!
[Quixtar announces NBC Dateline story](#) - [NBC's Letter to Quixtar](#)
- July 20, 2003 [Quixtar reports](#) - 2001 Q12 gross income drops 36% in 6 years
- July 2, 2003 [Crown Ambassador Dexter Yager Pays \\$125,000 in Copyright Infringement suit.](#)
- June 24, 2003 [Amway Attorneys-](#) meet Yager Diamonds to discuss business abuses...20 years ago
- June 24, 2003  [1987 WWDB Guideline for Diamonds](#) How WWDB split up the function ticket revenue
- June 20, 2003 [20 Years of IBO deceptions](#)
- June 15, 2003 [The Amway/Quixtar IBO Hall of Shame](#)

- June 15, 2003 [Emerald Dan Strader](#) - sentenced to 45 years in prison.
- April 21, 2003 [Iraqi Information Minister](#) - lands job with Amway (parody)
- April, 2003 [Network 21 sued](#) - for selling unauthorized copies of copyrighted book.
- Feb 18, 2003  [Big Pin Bonus Calculator](#) - Calculate big pin bonuses for yourself!
- Feb 11, 2003 [Resigned Quixtar Diamond Bo Short's](#) - frank discussion about the biz.
- Feb, 04, 2003 [Caution by Ebay \\$310,000](#) in bogus German Auctions (not Amway related)
- Feb, 2003 [California Diamond](#) - fleeces \$12 million in 1990 investment scam
- Jan, 2003 [Crown Don Storms](#) - Suspended for participation in \$17 Million Ponzi scheme on downline.
- Jan, 2003 [Review of Lines of Sponsorship](#)
- Jan , 2003 [Quixtar cloned from Amway?](#) - A little fun with the latest headline news!
- Nov, 2002 [Who moved their cheese?](#) A List of Diamonds and Emeralds no longer in the business
- Nov, 2002 [Who are not still together?](#) Those marriages not saved by the business
- Nov, 2002 [Diamond and Emerald Pin Winners](#) Updated every two months

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Main Identity



The Amway/Quixtar IBO Hall of Shame

"In financial planning you trust no one. In Amway you trust everyone"

John Sestina- Quixtar Executive Diamond and CFP

- | | |
|---|--|
| <u>Executive Diamond
Joe and Doris Shaw</u> | Couple bilks at least 140 investors out of up to \$10 million in real estate loan fraud. Doris files bankruptcy while still soliciting victims! |
| <u>Emerald Trevor Jones</u> | Utah IBOs scam 50 others for \$2 million in Ponzi scheme, which supposedly bought accounts-receivable of Asian latex glove manufacturer. |
| <u>Crown Bill Britt</u> | Experienced international businessman and Quixtar Crown Ambassador gets stung for \$5 million in Ponzi investment scheme. Don't worry, his tape and seminar profit will quickly make it back up. |
| <u>Dexter Yager</u> | Dexter Yager and InterNET Services Corp. ordered to pay \$125,000 in copyright infringement suit of Les Giblin's book "Skill with People". |
| <u>Hal & Harriett Lyons</u> | Couple fake Diamond status, attend Diamond Club, and bounce tens of thousands of dollars in checks to Quixtar. Harriet goes to jail for defrauding \$300,000 from a 77 year old woman. |
| <u>Network 21</u> | Jim Dornan's Network 21 sued for selling pirated copies of the book "Skill with People". They settle out of court for \$250,000. |
| <u>4Nexchange</u> | Quixtar Crown, Don Storms, promotes investment Ponzi scheme. Over \$17 million was scammed, much of it from downline IBOs. |
| <u>PSD Direct Paul Grant</u>
☐ | IBO running 4Nexchange investment scheme pockets at least \$2.13 Million, much of which came from Quixtar IBOs. |
| <u>Diamond Al Keranen</u> | Diamond distributor, and born again Christian, Al Keranen takes 180+ Amway distributors for \$12 million in real estate swindle. |
| <u>Craig & Cara Loupelle</u> | Buy way to Diamond with fake direct leg to boot. |
| <u>False P&G Satan Rumor</u> | Thirteen years after Amway denounces the Satan P&G rumor being propagated in many Lines-of-sponsorship, Diamond Randy Haugen repeats the rumor on Amway's Amvox voice messaging system. |

Emerald Dan Strader Emerald Dan Strader and son of Tele-Evangelist Karl Strader, bilks \$2.1 million from elderly investors in real estate scam.

Sana Jennings-Fossum Amway distributor accused of diverting \$190,000 in Alumni funds to private account. \$14,000 paid to Amway from the Alumni association accounts.


Jim & Patti Hearn In a complicated swindle, Hearn used her influence to authorize the Jefferson County Schools to purchase hundreds of \$322,000 worth of Encyclopedia Americanas from her Amway distributorship. The Hearn's were sentenced to 9 months in prison and 10 years probation.

Emerald -Mark Dean Arrested for forging drug prescription.

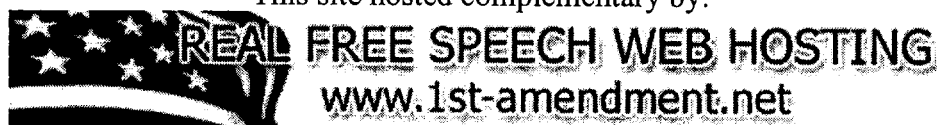
Eric Snead According to an AP article in the Boston *Globe* on January 6, 1999, **Eric Snead, Amway distributor**, "has been arrested after allegedly pocketing more than \$207,000 the Foxwoods Resort casino paid for the delivery of mail-order catalogs and merchandise, police said." The Foxwoods Resort Casino had ordered *Amagift* gift albums from Snead, which they were planning to give their 11,000 employees as holiday gifts.

Last Tuesday, Amway Corp. representatives in Ada, MI announced that Snead's distributorship has been terminated.

More Articles at MLMsurvivor.com

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Bill Britt Stung for \$5 million



The Triangle Business Journal:

Scam goes down in Raleigh; exec loses \$5M

Lee Weisbecker

RALEIGH - With the promise of a monthly 10 percent return on his money, Chapel Hill Amway executive Billy B. Britt drove over to Raleigh's Capital City Club in May 2001 to meet Wilmington securities dealers Daniel and Robert Henry Burr.

At that meeting, Britt slid a \$3 million check across a linen-covered table to the Burr brothers. Two months later, Britt gave the men another check - this one for \$2 million.

Passage of those two checks has sparked what's being called perhaps the largest single financial fraud case in North Carolina history in terms of the amount of dollars that have disappeared. "Well, it's a lot more money than normally comes through our criminal justice system," says Howard Cummings, a Wake County assistant district attorney.

Today, the Burr brothers sit in the Wake County Jail, awaiting an arraignment and motions scheduled for the week of Aug. 18.

Combined, they face 10 felony charges that could land them up to a decade in prison if convicted. They are being held in lieu of a \$10 million bail.

According to the Wake County indictments, Robert Burr and his brother told Britt that his \$5 million would be "invested in a private placement program that would generate profits of 10 percent a month."

Instead, the indictments say, the Burrs converted the money to their personal use.

Each is charged with two counts of obtaining property by false pretense. Robert additionally is charged with six counts of securities fraud, stemming from his alleged failure to inform Britt about events in his past.

State securities regulators, federal marshals, a court-appointed receiver and officials from the U.S. Securities and Exchange

Commission caught up with the Burrs in Wilmington on June 25.

Their homes - each valued in the \$400,000 range - were seized and sealed, as were their automobiles. "They (federal officers) even took the watches off their wrists," says George Jeter, a spokesman for the North Carolina Secretary of State's Office, which houses the state's Securities Division.

It marked the end of a long road for the SEC, which initially had moved against Daniel Burr, 53, and his younger brother Robert, 40, and their investment company, Cornerstone Management, in 1999.

The company was on a short list of scattered investment firms that had aligned themselves with Phoenix, Ariz.-based Dannel Finance Limited and its leader, Benjamin Franklin Cook.

In June 2003, Cook, 55, was sentenced in Arizona to 17 years in prison for allegedly masterminding a nationwide Ponzi scheme that bilked some 300 investors, mostly elderly citizens and religious groups, of \$46 million.

SEC documents detail the scam.

According to those documents, investors were told that their money would be transferred to, and guaranteed by, a London bank, and that the funds would then be used as collateral to trade in currencies and other financial instruments with 50 top European banks. Annual returns of up to 60 percent were promised.

In reality, the SEC says, the "prime bank" program marketed to investors didn't exist, and Cook and his lieutenants "misappropriated investment funds for personal and unauthorized uses, including making Ponzi payments to existing investors with funds provided by new investors."

Throughout most of 2000 and 2001, the Burrs were caught up in legal problems. The assets of Cornerstone were put under the supervision of a receiver. Robert Burr, in a plea arrangement with Arizona prosecutors, agreed to plead guilty to two felony counts and pay \$5 million in restitution. He has yet to be sentenced on those charges. In December 2000, he was jailed for contempt in Texas in a disagreement with a court-appointed receiver.

SEC documents say that it was while he was being held in the Federal Detention Center in Seagoville, Texas, that Robert Burr began laying plans to approach Britt, a well-known Chapel Hill businessman. Attempts to reach Britt were not successful.

Robert Burr, claiming that he is indigent, has received a court-appointed attorney, Peter Wood of Raleigh, to represent him.

Superior Court Judge Robert Rader also agreed to provide Wood with up to \$2,500 to pay for a private investigator to help him prepare his case.

"I'm still trying to piece together what happened," says Wood, who declined to discuss the case in detail. "It's complicated."

To date, no attorney of record has been named to represent Daniel Burr.

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Why Team of Destiny is an Illegal Pyramid

The Michigan Attorney General's web site has a page on the characteristics of illegal pyramid schemes. Read their page and see how closely the "Team of Destiny" meets each characteristic described. Here is the link to file a complaint with the Michigan Attorney General if you think you were conned. Addresses for the complaint are at the bottom. Most AG's will not take action against unless there are complaints, so make your voice heard if you feel you were part of an illegal pyramid scheme.

Multi-level" or "network" marketing is a form of business that uses independent representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits.

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."

Retailing goods and services to non-participants is the least stressed item of the Team of Destiny. You can see their main focus is to sell only to "participants", which according to the Michigan Attorney General, the 1979 Amway FTC opinion, and other court precedents is an illegal practice. The following evidence of this theme comes from the Team of Destiny web site and tapes.

It's About Buying from Yourself

"We need to purchase products from ourselves, (technical term: "generate PV") because it is the best advertisement that we believe that our business works! How can we show a plan labeling how much money comes out of the distribution chain and back into the pockets of IBO's if we are not even buying from our distribution chain?!"

"You can't wait for the fire to provide heat before you'll give it some wood. It's about buying from yourself. Be thankful it's stuff you already use! I know, I know, you like coupons. Do you? NO! Do you buy a drill because you want a drill? No! You buy a drill because you want a hole! With the same reasoning, you use coupons because you like your money left after the purchase - the same way you will like the money left in your pocket when you buy products from yourself, using your own IBO number, and generating a team doing the same".

"Amen! I've seen the light! Happy buying from yourself!"

Terri Brady, Team of Destiny Founders Diamond IBO, Grand Blanc, Michigan

Here are more examples of generating commissions from the "participants" from the Team of Destiny.

[Become a Prosumer!!!!] [How We Generate PV] [The Why of Generating Point Value] [PV: The Bottom Line] [Are these products cheaper than what I pay now?] [I Would Buy On-line No Matter What] [What's in Your Bathroom?] [Buying From Yourself - What a concept!] [Generating Point Value]

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from recruiting other people to market the program."

TOD sells audiocassettes to train their IBOs. Additional evidence is presented in the following exhibits of the wide spread teaching that the business sells only to its participants and very little to non-participants. :

From the tape, PPS-41, Diamond IBO Tim Marks makes repeated remarks about the importance of "buying from yourself".

2. From the tape, PPS-34, Sapphire IBO Jeff Granger, warns IBOs to not let it slip out in the contact that it is a "huge buying club", but to focus on getting people to the plan showing.

There are numerous examples. The list could go on and on.

Some companies call themselves multi-level marketing when they are really operating pyramid schemes that violate Michigan's Pyramid Promotion Act.

"Be skeptical of plans that claim you will make money through continued growth of your "downline" -- the commissions on sales made by new distributors you recruit -- rather than through your own sales of products."

1. From a TOD seminar 11/09/2002:
"Focusing on PV will not work. You must focus on building numbers"
 TOD Emerald IBO, Bill Lewis (PV = Point Value, obtained by product sales)
 2. From the TOD web Site:
"Team goals are very important because this is a business of "building numbers" of people attending the events."
-

"Avoid any program that focuses more on recruitment of new people rather than the sale of a product or service to an end-user consumer. If the opportunity for income is primarily derived by recruiting more participants or salespersons rather than by selling a product, the plan probably is illegal. Several courts interpret greater pressure on members to sponsor new recruits than to market company merchandise as evidence of an illegal pyramid."

Sometimes, new "distributors" are persuaded to purchase inventory or overpriced products/services when they sign up.

Sapphire IBO Don Freeze teaches on the TOD tape PPS-18 that the Quixtar Double-X vitamin is cheaper than the Centrum brand on a cost-per-use basis. **Double-X** costs \$48.15 for 31 tablets or **\$1.55 each**. The multi-vitamin **Centrum** costs **6.3 cents** at Wal-Mart. The Quixtar Double-X vitamins are 24 times more expensive than the Centrum. About \$22 per box, or \$0.72 per tablet goes to the pyramided bonus pool. Quixtar also sells a Multi-vitamin "**Nutrillite**" similar to Centrum, which cost **15 cents** each. This is still over twice the price of Centrum. Almost all of the price difference goes to fund the pyramided bonus pool.

Beware when the products or services are simply vehicles for recruitment. The products may be gimmicks and/or overpriced, but even high quality products may serve as a cover

for recruitment activities.

The high cost of the products is a common objection to the business. Founder's Diamond **Orrin Woodward** on PPS-25 "Handling Objections" says that one could treat the price premiums *as an investment* that will be paid off, after they show the plan and recruit some other people. The tape TOD-52 "Follow Through" teaches another method to handle the "high prices" objection.


****Be cautious about specific income or earnings claims. Many programs boast about the incredibly high earnings of a few top performers ("thousands per week" or a "six figure income"). The reality is that most of the people recruited into the organization are not making anywhere near those amounts and most actually lose money.***

Founder's Diamonds **Orrin Woodward** on TOD-25 builds the dream, and asks what you would do "if you could make \$10,000/month from this business".


2. Sapphire **Don Freeze** on PPS-42 states:
"Wealthy is defined as making over a million bucks a year. Who is up for that? Ok good. You see Orrin does, Chris does, and Mark is on his way to doing it..."
3. Founder's Diamond **Orrin Woodward** on PPS-20 states:
"When we bring Chris and Terry Brady there will be four people ..that are multi-millionaires. When is the last time you sent a weekend with four multi-millionaires for \$100?"
4. Diamond **Chris Brady** on PPS-39 states:
 - "How much money does Orrin really make? I know for sure it's ..LOTS".**
 - "Orrin has a seemingly endless supply of money and free time "**
 - "I've made \$4,000 for each plan I've shown."**
 - "Buy from your self and you'll be a millionaire"**
5. Sapphire IBO Bill Lewis on PPS-36 states:
 - "you got at minimum \$120,000/year income for the rest of your life."**
 - "You're offering them a chance to be a millionaire".**
6. Founder's Diamond **Orrin Woodward**, on PPS-25 states:
"by working the business 3-4 hours a night for 5-6 days a week, for two years and after two years you will retire with triple your salary with a growth rate of 25%-50% every quarter"
- 7 Sapphire IBO **Matt Abraham**, on PPS-38 states:
"... Tim Marks ...25 months to qualification of millionaire status (ie Diamond)."

Maybe Mr. Brady and Mr. Woodward would care to show "the fruit on their tree" and publish their Quixtar 1099's like Dexter used to make copies of his bonus checks. They say they make millions from Quixtar but Quixtar says the average Founder's Diamond makes \$227,400/year; 75% less than \$1 million/year.

"Beware when presented with "testimonies" from other distributors. These "success" stories rarely reflect reality."

Chris Brady, and Orrin Woodward are Quixtar "Founder's Diamonds. According to  2001 Quixtar data, the average IBO at this level grossed \$227,400 from Quixtar, not the millions implied. It would be easy for Quixtar to confirm if, in all of Mr. Woodward's 3 year Diamond career, he has even made a sum total of \$1 million from the business. Mr. Woodward might however make that when the profits from the Team of Destiny illegal BSM pyramid are included.


"Pyramid promoters are masters of group psychology. Recruitment meetings create a frenzied, enthusiastic atmosphere

 Orrin Woodward at Quixtar Live

where group pressure and promises of a large sum of money play upon people's greed and fear of missing a good deal. Promoters also openly discourage thoughtful consideration and questioning of the scheme. Victims often find themselves tricked into participating.

At recruitment meetings you might hear phrases like "this is a ground floor opportunity which will change your life", "opportunities don't go away, they go to other people", and "if you act now and work hard for three to five years, you can retire and live off of the residual income."

"Another warning sign is a confusing compensation plan."

Diamond Chris Brady on PPS-39 *"Every year it gets bigger..  we don't even know what we make ..What do you make Chris? I have no idea.....I don't understand it"*

Here is the [link to file a complaint](#) with the Michigan Attorney General. You will need the information below.

Team of Destiny Inc. registered in Michigan Num: 30132A
WOODWARD INTERNATIONAL NETWORKING SYSTEMS,
INCORPORATED
Agent: ORRIN A WOODWARD
105 E SECOND ST STE 1
DAVISON MI 48423

Quixtar Corporation
5101 Spaulding Plaza
Grand Rapids, MI 49355
616-787-7800

To the leaders of Team of Destiny: Instead of writing "Dear Mommy" letters on your web site, it might behoove you to find some good attorneys. You will need them very soon.

619 Hits

[Back to the home page](#) 

DD

Team of Destiny www.teamofdestiny.com

Printed from: MLM Know-How Forums

Topic URL: http://www.mlmknowhow.com/forum/topic.asp?TOPIC_ID=172

Printed on: 03/12/2004

Topic:

Reply author: Garret Kim

Replied on: 10/05/2003 02:23:10 AM

Message:

[quote]

Dearest PT Barnum (pop),

I am so excited. Remember how you said I would never make anything of myself? How I was wandering aimlessly through life without a purpose? How I always seemed negative? How I seemed listless? How I seemed to have a lack of integrity? How I seemed to be a coward? How I had no guts?

Well, I have found my calling! And it is working! I have found a group of great people called "Team of Deception". I will be famous and a millionaire in 2-5 years. Oh the feeling of power I get out of it. Oh how it feeds my ego. What is it, you ask? I'll tell you!

I have become a professional Dream Builder with a company called Quicksam!

It's great! There is this group of people out there who have involved themselves in an illegal home-based businesses (aka pyramid buying club) with the intent of improving their lives and making a difference in the world. We don't sell anything, and that's illegal, but we haven't been challenged yet either. That's where I come in. I can use all the technologies of today to expand this sham on lots of innocent people. Yep. It's EASY. All I have to do is make up a bunch of untrue but positive stuff, spread it around, use just enough specifics that they think I know what I am talking about, and wham! Some of them actually BELIEVE me! ME! Your loser son! I mean, they never ask to see any of my credentials, they never ask to see my actual income from the cover business, Quicksam. My prospects never stop to think if I or my buddies have actually make all our money from what we say we do. We just imply we are good people looking out for their best interests, and then we convince them into buying \$160/month worth of stuff to run their businesses, like tapes, seminars where promote our illegal business model, etc. But, get this. From their business they might buy \$200-\$400/month of products. The best part is the profit from these sales to everybody in the pyramid is just about \$105/month. What idiots they don't even have a breakeven business model! They never even consider that I might be using them to suck them dry of money with my repetitive tapes and seminars. Come on, we say nothing new. We say the same thing over and over, just each time with a little twist. They are so gullible, I can't believe it. Imagine telling people they will get rich convincing lots of others to lose as a group \$40-\$50/month with this stupid idea.

Pop, you were right, there is one born every minute and they are flocking to Team of Deception.

They never consider the fact that I am sucking them dry selling with hyped-up tapes and motivational seminars just so they can, now get this...shop from their own store! Imagine if people paid \$160/month so they could shop at Wal-mart and to get on average \$105/month back!

Best of all, I never have to prove ANYTHING I say. I tell them we are all millionaires from Quixtar....and guess what? They swallow it hook, line, and sinker. These idiots hang on every word, and actually pay us to lie to them, positively that is, to them. the bigger the lie the better, as long as it is positive, you know what I mean. What a fantastic business! I never even have to sell any of this myself. They sell it to all their friends for nearly nothing, since they think they will get rich recruiting more people, for my scam. Nope. They just flat believe me. And some of them even start dreaming, work real hard and figure out they have been had and go back to being enslaved by their jobs! That's ok, 'cause we sucked 'um dry for maybe \$10,000 bucks in the three years they believed our stuff. Oh, it's too good to be true.

Many of the faithful even switch over to my way of thinking and actually JOIN ME in exploiting others! Unbelievable. Others take the opposite approach and defend themselves. That's when I lure them into shairng their dreams with me so I can use against them when they think the business is not right for them and want to get out. They just don't seem to understand that you shouldn't wrestle with a pig. They will just get dirty and the pig will enjoy it. That reminds me, to you remember Laurie, or love is stronger than ever now that we work this scam together.

Anyway, pop, you'd be proud of me. My positive opinion, lies, myths, and popular belief, and cheating is exactly what this country needs more of. It will make us all rich. And it's just plain fun taking the lifeblood out of people's pockets with their DREAMS!

Your loving son,

Orrin

Scott

www.amquix.info/amway.html

[/quote]

MLM Know-How Forums : <http://www.mlmknowhow.com/forum/>

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ex-TOD or
Prospect?
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[Rebuttal to "The Facts about Quixtar"](#)

[Rebuttal to Orrin's "Complementary Business"](#)

[Rebuttal to Orrin's "Two Rules"](#)

[Bo Short's Rebuttal to "Complementary Business"](#)

[What is TOD?](#)

[Rebuttal to TOD's Emerald Attorney Matt Abraham](#)

[Analysis of a TOD "Tap Root Leg"](#)

Characteristics of Pyramid Schemes

How does Team of Destiny ® Compare?

This page is written as my opinion. There is a long standing debate about Amway (now Quixtar) and its lines-of-sponsorship being pyramid schemes. There have been numerous court cases, filed by former IE as high as a Crown and Double Diamond, since the 1979 FTC case. The court cases cast doubts about legalities of Quixtar and the Line-of-sponsorship tape and seminar businesses. The legalities and precedents can be researched on this Q&A page on pyramids. Rich DeVos, co-founder of Amway/Quixtar has even spoken openly about abuses that can cause the business to be illegal. Amway even had internal memo called the Postma memo, which declared the tools systems to be illegal pyramid business.

Do you feel you were deceived? Here is the link to file a complaint with the Michigan Attorney General if you think you were conned. You can also complain to the Better Business Bureau.

Why did I select the Team of Destiny ® ? Of all the Quixtar Lines-of-Sponsorship I've studied, Team of Destiny ® is the most prolific of any LOS at publishing material, which can be easily criticized to conflict with pyramid regulations. TOD was the only Quixtar group I know to publicly promote, and justify money available from their system. That page has since been removed from public view, potentially Quixtar's request. TOD distributes the profits from their Business Support Materials sales to participants in its own Multi-Level-Marketing (MLM) opportunity⁶.

As with most any MLM opportunity, Team of Destiny ® has the default status of "legal and in good standing" until there is an action by an attorney general or a court. To my knowledge Team of Destiny has never been ruled an illegal business by an attorney general or a court. However, due to the sheer number of MLM businesses and the limited resources of regulators, only the most abusive schemes get prosecuted.

"While our office is able to tell you if we have taken any legal action, we will not comment on any specific investigation of multi-level marketing companies. Additionally, we do not provide any advance form of approval for any company and if you want legal advice on whether a multi-level marketing opportunity is actually an illegal pyramid, you need to seek private legal counsel."

Michigan Attorney General's [web site](#)

Characteristics of Illegal Marketing Plans

- from MLMlegal.com -

In the leading decisions in this subject area, 17 abuses have been targeted as potential elements of illegal marketing plans: (See the [MLMlegal.com](#) Web site)

1. Plans in which company products are totally or substantially consumed only by distributors.
2. Plans which make no effort to emphasize retail sales to the ultimate nonparticipant consumer.
3. Plans in which commissions are not based on actual retail product sales.
4. Plans which would fail without purchases by participants.
5. Plans in which emphasis is on recruitment rather than sale of product.
6. Plans in which distributors purchase products in order to further the marketing plan rather than out of genuine desire and need for the product.
7. Mandatory purchases of company product
8. Products which have "no real world" marketplace.
9. Mandatory purchases of peripheral or accessory products or services.
10. Products that are sold at inflated prices.
11. Plans which result in inventory loading distributors.
12. Plans in which distributors are left with substantial unsold inventory upon cancellation of participation.
13. Substantial cash investment requirements.
14. Earnings misrepresentations or inflated earnings representations.
15. Plans which require no meaningful participation by distributors after becoming a distributor.
16. Plans that contain elements of a lottery rewarding participants based on chance rather than on bona fide sales efforts.
17. Plans in which fees are paid to distributors for headhunting.

Characteristics of Illegal Pyramid Schemes

- Michigan Attorney General -

The Michigan Attorney General also has a good page describing the characteristics of illegal market schemes. The Michigan AG's site references most of the above 17 points. Team of Destiny ® is also Michigan Corporation so it is interesting to compare what the Michigan Attorney General describes : what Team of Destiny ® business building training materials teach. Most AG's will not take action against unless there are complaints, so make your voice heard if you feel you were part of an illegal pyramid scheme. Here is the [link to file a complaint](#). All text in "red" is from the Michigan Attorney General's page on pyramid schemes.

Definition of Illegal Pyramid Schemes

- Federal Trade Commission -

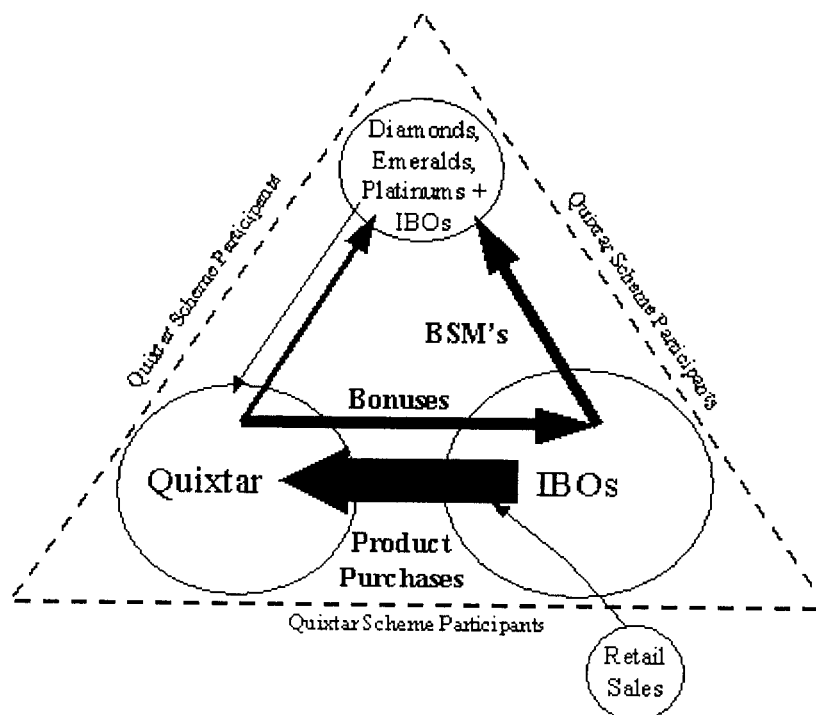
Definition from [FTC vs. Equinox](#) April 2000, is the same as [FTC vs. Trek Alliance](#) June, 2003

"Pyramid scheme" means a sales scheme, Ponzi scheme, chain marketing scheme, or other marketing program or program in which participants pay money or valuable consideration to the company in return for what they receive:

1. the right to sell a product or service; and
2. the right to receive in return for recruiting other participants into the program rewards which are unrelated to sale of products or services to ultimate users.

For the purposes of this definition, "sale of products or services to ultimate users" does not include sales to other participants or recruits in the multi-level marketing program or to participants' accounts.

The Quixtar Scheme Money Flow



The FTC definition for a pyramid focuses on the issue of retail sales. At least 50% of the rewards generated must come from those outside the compensation system, or simpler said, from sales to retail customers. The diagram above shows the money flow in the Quixtar system and how the majority of it flows among IBOs themselves.

Comparison of Team of Destiny® and the 17 Pyramiding Abuses

Retail Sales

- * Plans in which company products are totally or substantially consumed only by distributors.
- * Plans which make no effort to emphasize retail sales to the ultimate nonparticipant consumer.
 - * Plans in which commissions are not based on actual retail product sales.
 - * Plans which would fail without purchases by participants.
- * Plans in which distributors purchase products in order to further the marketing plan rather than out of genuine desire and need for the product.

"Multi-level" or "network" marketing is a form of business that uses independent representatives to sell products or services to family, friends, and acquaintances. A representative earns commissions from retail sales he or she makes, and also from retail sales made by other people he or she recruits.'

"Commissions should only be paid on the sale of goods or services to non participant end-user consumers."


Retailing goods and services to non-participants is the least stressed item of Team of Destiny®. Just check out their training materials. Having significant sales to non-participants of the compensation scheme is a major factor separating a legitimate MLM from an illegal pyramid, as stated above by the Michigan Attorney General. Court opinions state that at least 50% of sales should be from those not involved in the compensation scheme. From the following exhibits one can see that the main reason IBOs should buy Quixtar products is so that they can participate in the pyramided compensation scheme. Listening to TO tapes, one finds a major focus is to just sell to "*participants*" in the compensation plan, which according to the Michigan Attorney General, the 1979 Amway FTC opinion, Amway Co-founder Rich DeVos, and other court precedents is an illegal practice. Commissions are paid on all sales, even if the majority of sales are to those in the compensation plan. The following evidence of this theme comes from the Team of Destiny® leaders.

TOD Leaders Quoted about "buying from yourself"

Ask the person prospecting you to see the Team of Destiny® website to see how heavily they promote "buying from yourself". Did the person prospecting you tell you that retail sales are required to earn bonuses from those you recruit? Probably not.

After my criticism of the business in early October of 2003 Team of Destiny® had a change of heart and has added two new pages to their web site promoting retailing of products. ☺ Two topics were added in middle October and November of 2003 these being "A Few Ways to Develop Member/Client PV", and "Balanced Business Includes Retail Sales". They have also added a Top Gun Retailing program.

A Team of Destiny® open meeting in December 2003 never mentioned retailing, or the Member/Client option to the new prospects. ☹









Amway/Quixtar Co-founder  Rich DeVos freely admits in his March 1983 Directly Speaking Tape the "wholesaling only", or "buy from yourself" business is illegal:

*"I guess if I'd been told all these years you don't have to sell the product, all you have to do is wholesale it to people, then I guess maybe I wouldn't pay any attention to pricing, either. That's an illegal business. And those of you that preach it and foster it and talk about it as **operating illegally**. I don't know how often I have to tell you that. I don't know how long I have to keep insisting that you talk upon people retailing the product and gaining customers and servicing them faithfully, only to have some of you just throw it up in the air and say, "That's not our way. We don't teach that method." I got to tell you, you're running the wrong method. You see, once you'd accept the fact that you must sell the product at retail to have an honest business, then you suddenly are very concerned about the pricing of the product."*

"Pyramid schemes claim to be in the business of selling products to consumers in order to look like a multi-level marketing company. However, little or no effort is made to actually market the product. Instead, money is made in typical pyramid fashion . . . from recruiting other people to market the program."

"He said that if you had toilet paper in your home, or other Quixtar items such as paper towel, etc. and people came over to the house and used these items, technically this falls under the definition of selling." Team of Destiny ® IBO Site visitor

It is quite easy to find examples of TOD's over emphasis of self-consumption in their training tapes from a variety of their leaders.

1. From the tape,  PPS-41, Diamond IBO Tim Marks makes repeated remarks about the importance of "buying from yourself". "Why buy it from someone else if your business has it?"
 PPS-41 "We made \$1500/month and we just bought from ourselves".
2. From the tape,  TOD-71, Executive Diamond Orrin Woodward says how even if you don't have people skills, it should still be easy to teach people to buy from their own businesses.
3. From the tape,  PPS-34, Sapphire IBO Jeff Granger, warns IBOs to not let it slip out in their contact that it is a "huge buying club", but to focus on getting people to the plan showing.
4. From the tape,  TOD-132 Diamond IBO Terry Brady promotes the buy from yourself model.
5. From the tape,  TOD-105, Platinum IBO, Renee Oettinger explains that a "Power Player" needs to buy 150PV from their own store.
6. From the tape,  PPS-40, Sapphire IBO, Holger Spiewak, says to change your buying behavior and commit to 150PV per month.
7. From the tape,  TOD-5, Sapphire IBO, Ed Zentner, says it is not hard to change one's buying habits to earn an easy 150PV.

8. From the tape, TOD-132, Diamond IBO Terry Brady explains the concept of "negative products" and the confidence you show to others when you buy your own products.
9. From the tape PPs-39 Diamond IBO Chris Brady says the third part of the business is to have PV via buying from your self.

Have the person prospecting you loan you some business building tapes and find out for your self.

Even Quixtar has taken notice of Team of Destiny's ® under emphasis on sales and over emphasis on recruiting. This excerpt is from Quixtar in a letter to Orrin Woodward.

TOD, in fact, is growing faster than the rest of the Quixtar business. However, more important than growing fast is a commitment to growing right. This means a commitment to a balanced business. Focusing not just on sharing the opportunity but on retailing Quixtar's unmatched portfolio of products and services. Partnering with us to make the most of all this business has to offer. By growing right, you create a solid business foundation upon which you can continue to build - a foundation and a business that is built to last.

Quixtar and TOD have the "Member/Client" rule requiring IBOs to have a least 50PV or \$100 in sales in order to obtain bonuses on downline volume. The rule can be easily circumvented by "self reporting", or by using "option 4: buying for a customer through your account", or by "pay around" of the bonus by the Platinum, or by creating bogus Member accounts and buying the minimum from those accounts.

"I was told to sign someone up who does not want to be an IBO and then make my first purchases through that account. There are a lot of IBO's doing this"

"Our Platinum taught us to make our first purchase 'option 4, buying for a customer', using IBO price, fact she said use it for all purchases." - Team of Destiny ® IBO Site visitors

For brand new IBOs left in the dark about the rules, if your upline knows your Quixtar password they might even log in your account and report MC volume for you without your knowledge.

"I don't have any product to sell. I buy product for myself. I don't sell anything. I simply buy product from Quixtar for my home and family. I am changing my buying habits so that when we are running low on paper towels, toilet paper, diapers, garbage bags etc., etc., etc., then I order from Quixtar."

Team of Destiny ® IBO on Web Bulletin Board MLM Know How Forum

Commissions are paid on all sales regardless even if most are self-consumed. No doubt without the sales the IBOs themselves, the business would fail.

Over Emphasis of Recruitment

* Plans in which emphasis is on recruitment rather than sale of product.

"Be skeptical of plans that claim you will make money through continued growth of your "downline" -- the commissions on sales made by new distributors you recruit -- rather than through your own sales of products."

"Avoid any program that focuses more on recruitment of new people rather than the sale of a

product or service to an end-user consumer. If the opportunity for income is primarily derived by recruiting more participants or salespersons rather than by selling a product, the plan probably is illegal. Several courts interpret greater pressure on members to sponsor new recruits than to market company merchandise as evidence of an illegal pyramid."

From a Team of Destiny ® seminar 11/09/2002:
"Focusing on PV will not work. You must focus on building numbers"
TOD Emerald IBO, Bill Lewis (PV = Point Value, is obtained by product sales)

From the Team of Destiny ® web prospecting Site:
"Team goals are very important because this is a business of
"building numbers" of people attending the events."

From the tape PPS-39 Diamond IBO Chris Brady stresses
building the team as the key to the business.

"Pyramid promoters are masters of group psychology. Recruitment meetings create a frenzied, enthusiastic atmosphere where group pressure and promises of a large sum of money play upon people's greed and fear of missing a good deal. "

Orrin Woodward at Quixtar Live
TOD-71 Orrin Woodward says how the volume
of traffic on the Quixtar web site "melted" the IBM computers!

"I was approached by TOD. I was told it is ALL ABOUT RECRUITING new IBO's. "
"These TOD guys that came over talked nothing of the actually selling of the products,
it was all about recruitment." TOD Prospects

Purchase of Peripheral Products

- * Plans in which distributors purchase products in order to further the marketing plan rather than out of genuine desire and need for the product.
- * Mandatory purchases of company product
- * Products which have "no real world" marketplace.
- * Mandatory purchases of peripheral or accessory products or services.

Team of Destiny ® actually consists of two different schemes. The first being the Quixtar product business. The second is the Team of Destiny ® Business Support Materials pyramid. Either of these can be considered illegal marketing schemes when retailing of products, or the system to people outside the expecting to participate in the compensation scheme is not at least 50% of sales. (as judged by the rec court precedents) The purchase of these materials and Quixtar products are of course completely optional but those "wanting to succeed" should purchase them.

On tape PPS-39 Chris Brady says that if you can't afford a \$6 TOD, then that is all the reason more to be on tape of the week. (tape of the week is actually two tapes costing \$12/wk)

On tape PPS-19 Tim Marks says that if you skip either the pattern or the system it won't work.

On tape PPS-28 Orrin Woodward says that the business won't work without the system. He cites an example of an IBO with 72 downline IBOs who did not use the system.

This IBO had a 100% success rate at failure since he did not use the system.

On tape [PPS-38](#) Matt Abraham says that "you can't do it without the system"

Team of Destiny ® sells Business Support Materials (BSMs) consisting of audiocassettes, seminars, and open meetings to train their IBOs. TOD's BSM scheme promotes the Quixtar "Product Pyramid". TOD's BSMs have no other market outside of the Quixtar IBO market. The content of TOD's audio cassettes and support the wide spread teaching that the business sells mostly to its participants and very little to non-participants.

On tape [PPS-9](#) Don Freeze says if someone is not willing to get on tapes, or pay to come to meetings then there is no sense trying to help them in the business.

I attended a Team of Destiny ® open meeting. Afterwards I spoke to the guest speaker about the BSMs and the profit potential from the "B" type business outlined on Orrin Woodward's now password protected web page. I asked him if I had to buy the tools to be able to participate in the tool profits. He told me that if I was not using the tools, that I would probably not be able to attain the level required to participate in the profits. The speaker would not confirm that the tools are "required" for success but did state that using them would "ensure your success" in the business. [Listen](#).

"Promoters also openly discourage thoughtful consideration and questioning of the scheme."

Don Freeze on [PPS-9](#) "You must submit to the system"

"The worst thing you can do for your business is to pick and choose within the system" - Orrin Woodward


"Don't filter anything people say from stage"- Orrin Woodward

Work in the system, not on the system" - Orrin Woodward

Team of Destiny ® stresses building "numbers", or numbers of people attending events because the sell of tools, or BSMs is much more lucrative than selling Quixtar products. Team of Destiny ® Cassette tapes cost \$6 each or \$12 for the weekly standing-order program, yet tapes can be reproduced in bulk for less than \$0.50 each. There is also one Standing Order Leadership tape for \$6. The messages on the tapes are usually recorded at Team of Destiny ® functions. In addition, Team of Destiny ® also sells the "Top pack" of training tapes to new IBOs for \$300, which only cost \$25-\$50 to reproduce.


TOD weekly meetings cost \$5 per person, monthly events cost \$25, and the quarterly events cost \$100, not including travel and accommodations. I attended a Team of Destiny ® open with 50 IBOs and maybe 10 non-paying guests. At the end of the meeting I asked the hotel clerk how much the room cost for the evening. Since the room only cost \$50, somebody in TOD pocketed \$200 profit on the room. When you go to a TOD open, ask the hotel how much the room costs to rent. Each TOD IBO usually pays \$100 to attend the open meeting. Team of Destiny ® had a function in Las Vegas where it was claimed that 1000 people attended at \$90/ticket or \$45,000 gross receipts. The room was said to cost only \$1000. [See letter](#)

Access to the Team of Destiny ® Web site costs \$24 to set up and then \$10/month. IBOs are encouraged to purchase a voice messaging service for about \$25/month.


Orrin Woodward on  PPS-28 "*We try to make the system as cheap as possible*"


The Team of Destiny ® information system could be distributed much more cost efficiently if they were truly interested in making their system as "cheap as possible". The top 50 tapes could be distributed on a CD in .mp3 format including a .mp3 player for less than \$50. IBOs could also download the latest tape from the TOD website if they were serious about making every thing as cheap as possible. A 40 minute message in 18kps .mp3 format would be about 6 megabytes. It is my opinion that the Quixtar compensation system is not commensurate with the effort required, therefore the Quixtar products business must be subsidized by the profits from the system in order to keep people working it.

The BSMs business is very profitable to the Diamond Team of Destiny ® leaders, and is probably more profitable than their Quixtar product businesses. It is a multi-million dollar enterprise, which has *no retail customers outside of their IBO participants*. The profits to those above platinum from recruiting new IBOs on their system is much higher than the Quixtar bonus attributable to their Quixtar IBO purchases.

On tape  PPS-31 Chris Brady says "set goals for number of people buying the system"

Many of the Team of Destiny ® tapes are just recordings from past Team of Destiny ® meetings, in which the Team of Destiny ® "system" itself is being promoted. A good portion of the teachings from these materials is why you should be buying into the system of tapes, books, and seminars and getting others to buy it. My observation is that the system is used to promote the system itself. My opinion is that there is a greater emphasis on promoting the system than there is of merchandising the Quixtar products to retail customers, who are not IBOs.

On tape  PPS-22 Chris Brady promotes the purchase of the system using the system

On tape  PPS-31 Chris Brady "the system is optional but so is success"

Listening to their tapes and going to their meetings will reveal the repetitive messages about using a "proven system". In reality, IBOs need to continually listen to the repetitive messages on the tapes, so that they can continually relearn, why they need to continue to buy and listen to Team of Destiny ® tapes and attend their meetings. It should be clear to the casual observer that the main emphasis of the business is to *purchase the system and convince others to purchase it*. Of course after attaining a certain level, by bringing enough IBOs onto the system, one can begin to profit from promoting the system.

The reason that the meetings and tapes are so repetitive is that new people are always being brought into the business. The new people could never come up to speed if the techniques being taught had a compounding base of knowledge such as that in Medicine. The Quixtar business can only be reproduced and remains simple down to its core. This means that the messages on their tape system will quickly become routine and repetitive. The only reason to continue to buy into the system is to show your loyalty to the system so that others will follow your example. Getting enough people to follow your example will enable you to profit from their purchases.

Product Pricing

* Products which are sold at inflated prices.

"Make sure the product or service offered by the company is something you would buy without the income opportunity and the product or service is competitively priced. Illegal pyramid schemes often sell products at prices well above retail or sell products that are difficult to value, such as health and beauty aids, new inventions or "miracle" cures."

Sapphire IBO Don Freeze teaches on the Team of Destiny ® tape PPS-18 that the Quixtar Double vitamin is cheaper than the Centrum brand on a cost-per-use basis. Double-X costs \$48.15 for 31 tablets, \$1.55 each. The multi-vitamin Centrum costs 6.3 cents at Wal-Mart. The Quixtar Double-X vitamins are 24 times more expensive than the Centrum. About \$22 per box, or \$0.72 per tablet goes to the pyramid bonus pool. Quixtar also sells a Multi-vitamin "Nutralite" similar to Centrum, which cost 15 cents each. This is still over twice the price of Centrum. Almost all of the price difference goes to fund the pyramid bonus pool.

"Beware when the products or services are simply vehicles for recruitment. The products may be gimmicky and/or overpriced, but even high quality products may serve as a cover for recruitment activities."

The high cost of the Quixtar products is a common objection to the business. Executive Diamond O. Woodward on PPS-25 "Handling Objections" says that one could treat the price premiums *as investment* that will be paid off, after they show the plan and recruit some other people. The tape TOD-52 "Follow Through" teaches another method to handle the ever-present "high prices" objection.

A Team of Destiny ® IBO writes a letter to Quixtar complaining about how high the product prices are and how the Partner store link through Quixtar partner stores sometimes have more expensive prices than Partner Stores themselves. See the letter

Inventory Loading

- * Plans which result in inventory loading distributors.
- * Plans in which distributors are left with substantial unsold inventory upon cancellation of participation.
- * Substantial cash investment requirements.

"Sometimes, new "distributors" are persuaded to purchase inventory or overpriced products/services when they sign up."

"Be cautious about participating in any program that asks distributors to purchase expensive inventory. There are horror stories of people with a basement or garage full of merchandise that no one will buy."

Besides the \$235 TOD registration, there is no up front investment. Quixtar also has a 100% money back guarantee. I've heard that Quixtar will also pay the shipping costs. However, the cost to sign up with Quixtar as an IBO is only about \$50. The Team of Destiny ® recommended registration includes:

- 1) Team of Destiny Website Registration \$24.00
 - 2) Literature \$12.67
 - 3) Quixtar Registration \$45.75
 - 4) Product Package (SKU: 10-1387) \$150.
- The total is about \$232

The Team of Destiny ® refund policy via the BSMAA contract is not as generous as Quixtar's. Interesting to note is that the TOD Business Support Materials Arbitration agreement specifically excludes tools that were purchased for inventory (non-personal use).

" 8. Refund policies -- Business Support Materials purchased for stock or inventory, or for **reason other than the buyer's personal use**, are not subject to this policy but shall be governed whatever refund policy is agreed to with the selling IBO. For seminars, rallies, and other meetings, selling IBO shall buy back any tickets purchased for the buyer's **personal use** for a period of days..... "

Unlike the Quixtar refund policy, the Team of Destiny ® BSMAA specifically states many conditions : specifically excludes BSMS purchased for non personal use.

"Just wanted to let you know, I gave my upline two letters (one to Nick and the other to the person's name that appears on my receipts Mike Barrett) requesting my intent to leave TOD and requesting a full refund. He responded by telling me that I could not get a refund on tools as it is specified in the TOD contract. I responded that according to #8 that tapes, books, opens and seminars are refundable. I'm currently awaiting a response."

"My ex-upline and I agreed to a 50% refund for the TOD tapes for personal use but unfortunately the BSMAA agreement rules out any money given back for tools I bought to give out to people."

- TOD site visitors

As part of their system TOD encourages IBOs to stock up on tools.

The following is from Orrin Woodward a few years back promoting inventorying of Business Support Materials:

- *"Double your tool stock. Double your flow"*
- *"If I were to walk out to your car and look in your trunk, how many of you would be embarrassed. I am not for anyone spending any money on this business. I am all for you investing for this business"*
- *"Get to the point that when someone opens your trunk that you're proud to show them your stock"*
- *"Having tools will motivate you even more to show the plan and get them in people's hands so that they can learn"*
- *"You should be moving as many special order tapes as tape of the weeks into your groups"*
- *"If you don't have the material to give out to your new people, you are failing them"*
- *"If you don't have the right material in your trunk, you've sentenced yourself to being the message having to answer phone calls, and tell everyone everything all the time."*

TOD sells various "tool trunks". Their compact, medium, and large trunks sell for \$508, \$998, and \$1, respectively. These trunks contain multiple tapes, CD and prospecting materials.

The Quixtar products can also be inventory loaded, but Quixtar supposedly has rules to address this issue.

Quixtar had one time warned Orrin Woodward about inventory loading of Nutrilite vitamins to recruit a few years back. Here is the letter from Quixtar to Mr. Woodward in response to a complaint to the Michigan Attorney General. Page 1, 2, 3, 4. Page three mentions the food supplement inventory loading.

Income Misrepresentations

* Earnings misrepresentations or inflated earnings representations.

"Be cautious about specific income or earnings claims. Many programs boast about the

incredibly high earnings of a few top performers ("thousands per week" or a "six figure income"). The reality is that most of the people recruited into the organization are not making anywhere near those amounts and most actually lose money."

"She also laughing said, she had only made probably \$400 or so from the business but it probably costs her four thousand dollars"

Site visitor's story in 2001 about Orrin Woodward's mother who is an IBO

Founder's Diamonds Orrin Woodward On tape [TOD-25](#) builds the dream, and asks what you would "if you could make \$10,000/month from this business".

Sapphire Don Freeze On tape [PPS-42](#) states:

"Wealthy is defined as making over a million bucks a year. Who is up for that? Ok good. You see Orri does, Chris does, and Mark is on his way to doing it... "

Founder's Diamond Orrin Woodward On tape [PPS-20](#) states:

"When we bring Chris and Terry Brady there will be four people ..that are multi-millionaires. When is t last time you spent a weekend with four multi-millionaires for \$100?"

Diamond Chris Brady On tape [PPS-39](#) states:

"How much money does Orrin really make? I know for sure it's ..LOTS".

" I've made [\\$4,000 for each plan](#) I've shown."

"Buy from your self and [you'll be a millionaire](#)"

Sapphire IBO Bill Lewis On tape [PPS-36](#) states:

"You're offering them a chance to be a millionaire".

Sapphire IBO Matt Abraham, On tape [PPS-38](#) states:

"... Tim Marks ...25 months to qualification of millionaire status (ie Diamond)."

Diamond Orrin Woodward, On tape [TOD-71](#) states how he has seen people make \$6,000 - \$7,000 per month in this business in less than two years.

Maybe Mr. Brady and Mr. Woodward would care to show "the fruit on their tree" and publish their Quixtar checks like Dexter Yager did. He made copies and handed them out at functions. [Click here copies of Dexter's bonus checks](#). Chris Brady, and Orrin Woodward are Quixtar "Founder's Diamond". According to [2001 Quixtar data](#), the average IBO at this level grossed \$227,400 from Quixtar, not millions implied from their tapes. Mr. Woodward might however make that when the profits from Team of Destiny ® BSM scheme are included.

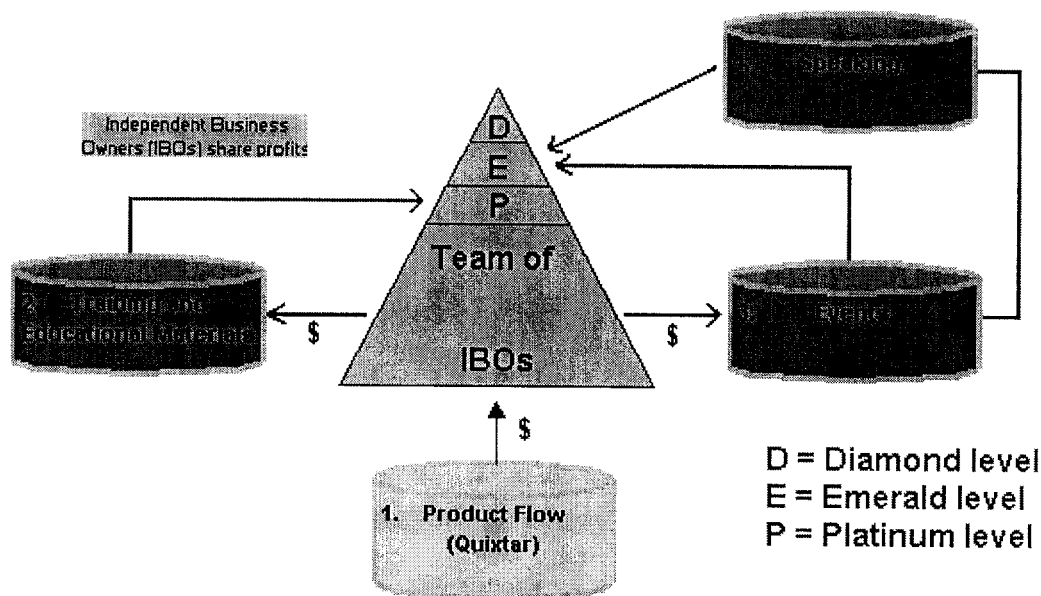
It seems Orrin's seemingly endless supply of money may not be all what Chris Brady says it is. Orrin's \$1.05M condo appears to have been purchased with a \$860,000 mortgage. You can get the information here at the [Genesee County Clerk](#) in Michigan (search Woodward, Orrin A):

"Be cautious about specific income or earnings claims. Many programs boast about the incredibly high earnings of a few top performers ("thousands per week" or a "six figure income"). The reality is that most of the people recruited into the organization are not making anywhere near those amounts and most actually lose money."

"Beware when presented with "testimonies" from other distributors. These "success" stories rarely reflect reality."

"I wanted to respond to a post I saw with regards to Team of Destiny. I have a friend living in Michigan who is completely sold on this business... He seems to think he will be a millionaire in 5 years. "

"I was introduced to TOD over the weekend.. My friend that has been in the company for three months guarantees he will be a millionaire in less than five years. Telling the five people he had the meeting that they could join him if they started today." - Site Visitors



The image above shows the additional sources of income IBOs can eventually have from the very lucra TOD BSM's pyramid business selling tapes, books, seminars, and obtaining speaker's fees. Participatio the profits from the tools business is based upon one's success in building a Quixtar organization, convincing downline IBOs to consume these items. These items have no customers outside of IBO prospects and have no real word use outside of the group. The BSM profit sharing plan creates an econo incentive and a conflict of interest for IBOs to recommend the use of BSMs to their downline IBOs for sheer sake of generating commissions without regard for the economic consequence to their down IBO's personal profitability. This creates an inherently fraudulent scheme.

It appears that Quixtar might have told TOD to remove the "How the Money Works" page and controversial image from Orrin Woodward's website. The reason was "this is important knowledge for TOD IBOs, it is not intended to be shared with prospects as an enhancement to the plan showing proce No doubt promotion to the public of the BSM's pyramid as part of the Quixtar plan would bring regulator criticism. Similar to how Quixtar clamped down on the Team In Focus BSM profits sharing pl

In a 1983 audio taped speech entitled "Directly Speaking," Amway co-founder  Rich DeVos stated:

Let me talk to you about the legal side, beyond price fixing, that deals with pyramids, deals with the illegal operation of a business that does not have an end consumer, where product is not retailed. That would include all books and tapes. The sad news, folks, is

*when those things go out that way and they become excessive, beyond my ten or twenty per-
theoretical guideline, hopefully acceptable, to where it's a reasonable support system, but
beyond the reasonable element, then it becomes an out and out illegal pyramid.*

*. . . when your tape volume becomes so great in relationship to your regular business, if
not used as a support for the Amway business, - will oftentimes be an illegal business - in
it could be called a pyramid - because, - does not get sold to the consumer. Which means
all the tape business does is take money out of the organization, and because the final pe
can't retail it, it never brings money into the organization. Now, I'm not arguing the value
- we accept the fact that motivation is vital to this business. Good, honest motivatio
important to the business. But, it must be motivation that builds the business - not becom
business in itself. And some of you have made it a business in itself. . . And I am imploring
of you to do two things. Number one, clean up your act. And number two, if you know pe
who are continuing to do things improperly after all of this, then I want you to write us a
and just tell us who's doing it.*

Directly Speaking, January 1983, Rich DeVos, Amway Cassette Series VA-2160.

In January 1983 the infamous internal Amway "Postma" memo it stated:

*The Tool business (motivation) is illegal. If I understand the MLM system, there are cer
parameters that confirm its legality. Unlike the Koscot method of marketing, the MLM sys
moves a product to an ultimate consumer outside of the business structure; i.e., a custo
Although the Amway business is legal (no question), the tool business is not (my conclusion*

- a. **It is a pyramid. It sells only to those who involved in its structure.***
- b. It may violate tax laws. It is hard to determine whether or not proper sales taxes are
paid (especially in the state of Washington).*
- c. A real danger of inventory loading without the protection of a buy back rule exists. Th
has already occurred (Mackey). It will happen again.*
- d. It could be construed as an employer/employee relationship.*
- e. It is not a free enterprise opportunity. A downline Direct is not to compete with an up
Diamond*


Another Internal Amway Memo from 1982 states:


The following, important statement from Hogan & Hartson's 28 page legal evaluation of the
legal risks inherent in selling and distributing non-consumable "products" through a multi-l
system, has helped us greatly in getting the attention of the "systems" entrepreneurs:


**"Because of the extensive and extremely adverse publicity associated with Glenn
Turner's "Dare to be Great" operation -- an operation based primarily on the sale o
motivational tapes -- it must be recognized that any multi-level sales plan which und
emphasizes sales of motivational literature or tapes is likely to attract the attention of
enforcement authorities!!!"**

References for "Dare to be Great" motivational supplies pyramid cases [[Kentucky](#)] [[Virginia](#)] [[SEC](#)]


At recruitment meetings you might hear phrases like "this is a ground floor opportunity which will change your life", "opportunities don't go away, they go to other people", and "if you act now and work hard for three to five years, you can retire and live off of the residual income."

 [PPS-20](#) Orrin Woodward "If you get started right now, you will be an early pioneer"

Bill Lewis on  [PPS-36](#) says "you can make \$120,000/year for life"

Founder's Diamond Orrin Woodward, on  [PPS-25](#) states:
"by working the business 3-4 hours a night for 5-6 days a week, for two years and after two years you will retire with triple your salary with a growth rate of 25%-50% every quarter"

"Another warning sign is a confusing compensation plan."


Diamond Chris Brady on  [PPS-39](#) "Every year it gets bigger... we don't even know what we make ..What do you make Chris? I have no idea.....I don't understand it".

Distributor Participation

- * Plans which require no meaningful participation by distributors after becoming a distributor.
- * Plans which contain elements of a lottery rewarding participants based on chance rather than on bona fide sales efforts.

TOD employs a strategy called "stacking". Prospects are told they needn't do anything. Someone build a line for them.

*"He told me to buy into a position and I wouldn't have to do anything, just be in line. He never said I should try to sell any products. Just buy and get others interested."
"I never knew who sponsored me, nor who I sponsored, this is a common occurrence."
- Site Visitors*

Even in the open meeting I attended, the speaker highlighted one IBO who already had made the 2 bonus level and he didn't do anything.  [Listen](#).

Depending upon how one is stacked and who is stacked under you there is an element of chance of having successful people stacked under you.

Headhunting Fees

- * Plans in which fees are paid to distributors for headhunting.

Neither Quixtar nor TOD pay any direct fees for headhunting.

"Some companies call themselves multi-level marketing when they are really operating pyramid schemes that violate Michigan's Pyramid Promotion Act."


"Team of Destiny" ® is a registered trademark of Orrin Woodward and "Team of Destiny" ® . The author has no intention or desire to suggest that "Tea


Destiny" ® or Orrin Woodward either approve of or sponsor the content of this site and any use of the trademark is purely incidental to the author's purpose in describing and criticizing the practices of "Team of Destiny" ® and its leadership, including Orrin Woodward.

⁶ "This model fits Multi-Level law with a majority of IBOs buying tickets and tools as retail customers." From Orrin Woodward's "complementary businesses article".

Here is the link to file a complaint with the Michigan Attorney General if you think you were conr Addresses for the complaint are at the bottom. TOD is also a member of the Better Business Bureau. You can also complain to them. You will need the information below.

Team of Destiny Inc. registered in Michigan	Quixtar Corporation
Num: 30132A	5101 Spaulding Plaza
WOODWARD INTERNATIONAL	Grand Rapids, MI 49355
NETWORKING SYSTEMS, INCORPORATED	616-787-7800
Agent: ORRIN A WOODWARD	
105 E SECOND ST STE 1	
DAVISON MI 48423	
The Address is from the <u>State of Michigan website</u>	

[Back to the home page](#) 

[Link to the Fair Use Provision of the US Copyright Law.](#) 

TOD boasts a membership of 30,000 IBOs yet they recognize about 75 platinum distributorships. Their ratio of IBOs to platinum distributors must be one of the lowest in the business coming in at 1 in 400 versus the 2001 Quixtar average of 1 in 235. If TOD just maintained the Quixtar average (.4242%) they should have over 127 Platinums IBOs for a membership of 30,000 IBOs.

Help me put together the TOD line of sponsorship.

IBOs highlighted in blue are listed on Quixtar's website as Q12 qualifiers.

IBO	Upline Platinum
Chris and Terri Brady	Orrin Woodward
Tim and Amy Marks	Bill Lewis
Matt and Cheryl Abraham	Orrin Woodward
Mike and Lisa Barrett	
Kirk and Cassie Birtles	
Eric Blomdahl	
Joen and Beth Ann Bodtker	
Dwayne and Janet Boyd	
Dean and Tracie Clouse	
Ron and Sara Day	
Shaun and Lana Denman	
<u>Bob and Mary Dickie</u>	
Tom and Kathy Eiden	
Mike and Carol Foos	

Darrin and Tressa Farough	
Don and Chris Freeze	Orrin Woodward
Mike & Viola Gowen	
Kevin and Caroline Grabowski	
Jeff and Barb Granger	
George and Jill Guzzardo	
Mark and Rita Haas	
James Halter	
Josh and Courtney Hrinik	
Bob and Deb Hemmila	
Doug Huber	
Mark and Anna Huber	Chris and Terri Brady
John and Marirose Ilkka	
Mike and Nancy Jones	
Steve and Corrie Jones	
Mike Kassem	
Leon and Jan Kelly	
Wayne and Leanna Kircher	
Larry Kirkley	
Kyle and Serena Langston	
Bill and Jackie Lewis	Mark and Anna Huber
Jason and Barb MacSuga	
Dan and Corrina Madar	
Basam and Carrie Malik	
Jim and Dolores Martin	
John and Diana Martinez	
Dave and Tracy McDade	
Joe and Jane McGuire	Orrin Woodward
Mike and Camille McGuire	
John and Melanie Morgan	
Steve and Beth Morgan	
John and Lynn Mossner	
Dan and Vicki Newbauer	
Paul and Lois Nobles	
Renee Oettinger	
Tony & Gina Padilla	
Nik and Sham Palomaki	
Chris Park	
Nate and Jennifer Patmos	
Mark and Jenn Paul	
Shawn and Shari Pillsbury	
Colby and Kim Potts	
Aron and Mary Radosa	
Greg Rau	
Michelle Rauschenbach	
Rick and Amy Reed	
Joe and Donna Rohde	
Scott and Missy Russell	
Pat and Lisa Semple	
Chris and Heidi Smith	

Holger Spiewak
Doug and Sheri Stroh
Jeff and Rebeka Taylor
Larry and Marsie VanBuskirk
Dan Whiting
Eric and Brandi Wilson
Wendy Yurgo
Ed and Lynette Zentner
Matt and Sarah Zimmermann
Orrin and Laurie Woodward

FF

Main Identity

From: "Tom Kuiper" <kuiper@wheelerupham.com>
To: "katie alvarez"
Sent: Wednesday, March 31, 2004 9:08 AM
Subject: TOD Lawyers 1
 Katie: Please print this page and the "Dearest Mommy" link please. Thanks, Tom



Letters from TOD Lawyers

I was forwarded the letter below from my host at www.1st-amendment.net after TOD lawyers contacted them attempting to get my web site shut down. This was after the TOD lawyers successfully intimidated my previous host at www.50megs.com and my site was shut down.

In an effort to apply additional pressure on me, the TOD lawyers contacted my employer and threatened to subpoena their computers for evidence if they decided to sue me. This happened a few weeks after Quixtar wrote my employer implying I was using my employer's computer network to run my site. Quixtar obviously gave my employer information to TOD. Quixtar had discovered whom my employer was while trying to serve me with a subpoena to present evidence for the P&G case.

[\[Round 2 letters\]](#) [\[Round 3 letters\]](#) [\[Is TOD a pyramid?\]](#)
[\[TOD rebuttals Internet criticism with "Dearest Mommy" page !\[\]\(e474458956c9a37fbf9586ddb60a7fa1_img.jpg\)

From: "Katie Alvarez"
To: "1st-Amendment Support -"
Cc: "Tom Kuiper"
Sent: Wednesday, December 10, 2003 12:45 PM
Subject: Re: Scott Larsen](#)

December 9, 2003

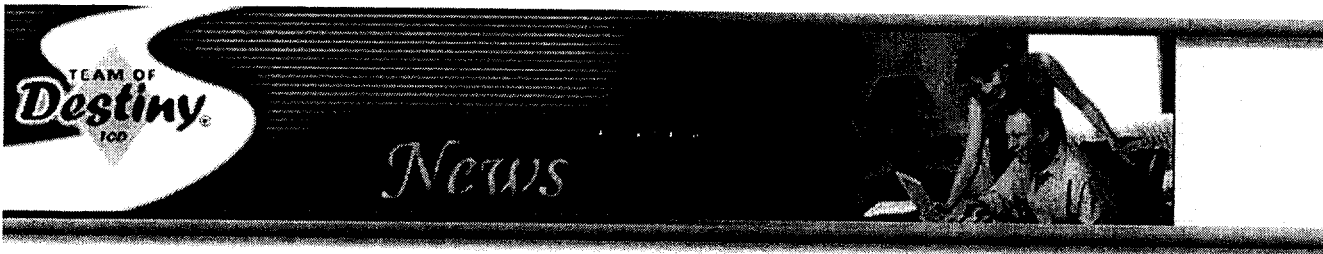
Re: Scott Larsen

To Whom it May Concern:

I represent Team of Destiny, a Michigan business in good standing, and its individual members. Pursuant to that representation, I am writing to report that Mr. Scott Larsen's website listing with your company.

Team of Destiny ("TOD") is a Michigan business in good standing. TOD is a business dedicated to the sale of consumer products through It also has three secondary businesses, which are education, events, and speaking. As such, TOD is both a provider of products and services. The name, "Team of Destiny," and the combination of its name and its logo are registered trademarks and service marks.

In order to assist the thousands of individuals affiliated with TOD, it maintains a website at The homepage has a separate section for guests and affiliates. Further, the homepage conspicuously



This just in!

Close

In the recent power outages across the nation computers everywhere began to act strangely. As a result of this unprecedented interruption in the electronic world, several unsolicited e-mails found their way into Team of Destiny computers. These e-mails were from people all over the world on almost every subject matter imaginable. Many were in different languages. But one e-mail caught our eye, and we thought we'd post it here for your enlightenment:

Dearest Mommy:

I am so excited. Remember how you said I would never make anything of myself? How I was wandering aimlessly through life without a purpose? How I always seemed negative? How I seemed listless? How I seemed to have a lack of integrity? How I seemed to be a coward? How I had no guts?

Well, I have found my calling! And it is working! I am darn near famous! Oh the feeling of power I get out of it. Oh how it feeds my ego. What is it, you ask? I'll tell you!

I have become a professional Dream Stealer!

It's great! There is this group of people out there who have involved themselves in home-based businesses with the intent of improving their lives and making a difference in the world. That's where I come in. I can use all the technologies of today to slander what they do. Yep. It's EASY. All I have to do is make up a bunch of negative stuff, spread it around, use just enough specifics that they think I know what I am talking about, and wham! Some of them actually BELIEVE me! ME! Your loser son! I mean, they never ask to see any of my credentials. They never stop to think if I have any credibility. They never even consider that I might be on some big corporate payroll and actually paid to fight against an idea whose time has come! They never consider the fact that they have never met me or that I don't give a hoot about them or their future. I never have to prove ANYTHING I say. I never even have to show my face or identify myself! Nope. They just flat believe me. And some of them even stop dreaming and go back to being enslaved by their jobs! Oh, it's too good to be true. Further, many of them even switch over to my way of thinking and actually JOIN ME in the bashing! Unbelievable. Others take the opposite approach and defend themselves. That's when I lure them into

giving me information I can use against them in further slanderings. They just don't seem to understand that you shouldn't wrestle with a pig (me). They will just get dirty and the pig will enjoy it.

Anyway, mom, you'd be proud of me. My dissenting opinion, lies, slander, libel, and cheating is exactly what this country needs more of. And it's just plain fun taking the lifeblood out of people's dreams!

Your loving son,

(Name withheld by Team of Destiny out of pity for the little fella).

Kara VerMeulen

From: "Tom Kuiper" <kuiper@wheelerupham.com>
To: "Kara VerMeulen" <vermeulen@wheelerupham.com>
Sent: Monday, March 29, 2004 12:37 PM
Attach: dearest_mommy.pdf
Subject: Fw: fyi

----- Original Message -----

From: "Scott A Larsen" <scott.larsen@juno.com>
To: <kuiper@wheelerupham.com>
Sent: Sunday, March 28, 2004 6:12 AM
Subject: fyi

> Dear Mr. Kuiper,
>
> Just in case your client did not give you a copy of this, here is a copy
> for you. I was unable to send to you last week since I was away from my
> own computer. I see they removed it from their website.
>
> It seems you forgot to include a copy of it as an exhibit in your
> complaint.
>
> Regards,
>
> Scott Larsen