

**IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

CASE NO: 8:07-CV-1279-T-30T

v.

FTN PROMOTIONS, INC., a Florida  
Corporation, d/b/a Suntasia Marketing, Inc.,  
Capital Vacation, et al,

Defendants.

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**NOTICE OF FILING**

PLEASE TAKE NOTICE THAT Robb Evans and Robb Evans and Associates, LLC (the "Temporary Receiver"), by and through its undersigned counsel, hereby provides notice of filing the "Report of Temporary Receiver's Activities July 25, 2007 Through August 10, 2007," attached hereto as Exhibit "A."

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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the "Notice of Filing" has been furnished  
this 13th day of August, 2007, via electronic and/or first class mail to:

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EXHIBIT A

**ROBB EVANS & ROBB EVANS & ASSOCIATES LLC**  
Temporary Receiver of  
**FTN PROMOTIONS, INC. dba SUNTASIA INC., ET AL.**

**REPORT OF TEMPORARY RECEIVER'S ACTIVITIES**  
**JULY 25, 2007 THROUGH AUGUST 10, 2007**

This report covers the activities of the Temporary Receiver during the seventeen days since the inception of the temporary receivership. This is the first Report to the Court on the progress of the temporary receivership. It does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the receivership.

**Premises & Operations**

On July 25, 2007 the Temporary Receiver took control of the business premises located at 8751 Ulmerton Road, Largo, FL. This two story office building is owned by Suntasia Properties LLC. This office serves as the corporate headquarters for the receivership defendants and also has rooms that function as telemarketing rooms. The Temporary Receiver learned of another location at 2471 McMullen Booth Road, Suite 305, Clearwater, FL. This location was leased by the receivership defendants and was a call center. The Temporary Receiver was informed of another facility located at 6133 Central Ave. in St. Petersburg, FL, which is under construction. The Temporary Receiver visited that facility and confirmed there was construction in progress. In addition to the two facilities operated by the receivership defendants, the Temporary Receiver learned of a call center in India that was contracted through the Zenta Group in Philadelphia, PA.

The Temporary Receiver suspended all telemarketing, customer service, consumer compliance, and all other functions at all locations, including the India call center. The Temporary Receiver did authorize certain headquarters employees to continue working to assist the Temporary Receiver in carrying out its duties under this Court's Temporary Restraining Order and to assist the receivership defendants with information needed by them to defend the lawsuit by the Federal Trade Commission.

The Temporary Receiver changed the locks and secured all three facilities.

**The Receivership Defendants and their Affiliates**

Under Tab 1 is an organizational chart the Temporary Receiver obtained from the business premises. An outside investor purchased 26% of FTN in April 2007. The purchase agreement required name changes. As a result of the purchase agreement, Sunstate

Holdings, LLC was formed as a holding company over the operating entities of the receivership defendants. FTN Promotions, Inc. dba Suntasia Marketing, Inc. transferred its assets and liabilities to Strategia Marketing, LLC in exchange for 100% ownership. Guardian Marketing Services Corp transferred its assets and liabilities to Co-Compliance, LLC in exchange for 100% ownership. The purchase agreement also called for name changes in the products marketed by the receivership defendants.

In addition to the entities above and to the named receivership defendants, the Temporary Receiver has identified the following entities affiliated with the receivership defendants:

Suntasia Ltd.  
Opportunity Partners LLCs  
Ulmerton Road Properties LLC

### **Liquid Assets Held by the Receivership Defendants and their Affiliates**

Under Tab 2 is a list of bank account balances as of July 25, 2007. The total amount in bank accounts was \$6,433,588.

The Temporary Receiver has allowed the receivership defendants' banks to honor returns processed through the banking system and has allowed the receivership defendants' banks to honor all refund checks issued by the receivership defendants prior to the Temporary Restraining Order.

### **Real Property and other Illiquid Assets Held by the Receivership Defendants and their Affiliates**

#### ***Strategia Marketing, LLC***

This entity lists fixed assets in the form of computers, computer software, digital switching equipment, furniture, leasehold improvements, pictures and wall paintings in the amount of about \$1,374,511 on its current financials.

#### ***Suntasia Properties, Inc.***

Suntasia Properties, Inc. is owned equally by Bryon Wolf, Roy Eliasson, and Alfred Wolf.

Suntasia Properties, Inc. owns the buildings located at 8751 Ulmerton Road, Largo, FL and 6133 Central Ave. in St. Petersburg, FL. Based on comparable buildings in the area, Mr. Byron Wolf estimates the combined value of the buildings is between \$7,980,000 and \$8,312,500. There are loans against the two buildings totaling approximately \$4,091,300.

The Temporary Receiver discussed the status of the construction on the St. Petersburg facility with the contractor. All exterior work has been completed. The contractor

estimates the entire project is 65% to 75% completed. The Temporary Receiver was contacted by a furniture distributor who ordered, and has possession of, approximately \$142,000 of furniture for the new facility. According to the distributor, his company received a \$70,000 deposit on the furniture. At the request of the Temporary Receiver, the distributor has agreed to store the furniture at his facility for a short period of time.

***Suntasia Ltd.***

Suntasia Ltd. is owned equally by Bryon Wolf, Roy Eliasson, and Alfred Wolf.

Suntasia Properties Limited is a British Virgin Islands company that owns a 2003 80 ft. Lazarra Sky Lounge vessel moored in St. Petersburg, FL. The vessel was purchased in March 2007 for \$2,999,000. There is an outstanding loan on the vessel for approximately \$2,227,790. The Temporary Receiver has communicated with the vessel's captain and has established control over the vessel. The Temporary Receiver has confirmed that insurance coverage is in force.

***Opportunity Partners LLC***

The ownership of Opportunity Partners LLC is as follows:

Bryon Wolf	50%
Roy Eliasson	20%
Fred Wolf	15%
Jeff Wolf	15%

Opportunity Partners, LLC is a land development property holding company. According to Mr. Bryon Wolf, the company has participated in 6 – 12 transactions over the course of the last two years. The company targets land acquisitions that are either not yet zoned or scheduled for development (roads, utilities and sewer). BFP Group, LLC (BFP) participates as a partner to rezone or develop the property to increase the value for resale.

Current Status

Cash in Bank: \$175,617.07  
Note Payable from BFP \$565,000.00  
Current Reimbursement owed to Bryon Wolf: \$175,617.07

Property Owned Direct

Trump Tower Tampa, 111 S. Ashley Drive Tampa, FL.  
Promissory note with developer of \$735,000.00 at 10% interest per year.

Title: Bryon Wolf and /or assigns

### Other Properties Owned

Opportunity Partners LLC has a 50% ownership interest in the following properties:

- 1) 10602 CR 672 Hwy  
Riverview, FL. 33569  
Titled: BFP Group, LLC

Purchased 05/14/07 \$450,000.00  
\$90,000.00 Down payment (From Opportunity Partners LLC)  
\$360,000.00 Loan with First Citrus Bank

- 2) Tract 19, Zephyrhills Colony Company Lands in Section 15 Township 20 south, range 21 east according to Plat thereof, as recorded in Plat Book 1, page 55, Public Records of Pasco County, FL.

Purchased: 03/19/07 \$475,000.00 (Paid in full by Opportunity Partners LLC)

### **Product Sales Information**

The Temporary Receiver obtained the receivership defendants' accounting system for the period of May 1999 through July 23, 2007. The Temporary Receiver also obtained the receivership defendants' historical database, which tracks consumer information. The receivership defendants use a database program that is not capable of containing all historical consumer information in one database because of the program's file size limitation. Historical data is archived to other databases to accommodate this. The Temporary Receiver has not yet analyzed consumer information contained in the archived databases.

The Temporary Receiver has analyzed sales and other consumer information maintained in the receivership defendants' current active database from June 1, 2006 through July 23, 2007. The Temporary Receiver worked with company management to substantially reconcile<sup>1</sup> the net sales amount<sup>2</sup> to the receivership defendants' accounting system.

Gross sales from June 1, 2006 through July 23, 2007 were \$117,795,217. Net funded sales for that same time period were \$65,568,698 and returns through the banking system were \$52,226,519. This resulted in a return rate on gross sales of about 44.3%.

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<sup>1</sup> There is a \$19,713 difference between the database and the accounting system. The Temporary Receiver considers this as an immaterial difference.

<sup>2</sup> The database tracks both gross sales and net sales after return items from the receivership defendants' banks. The accounting system only tracks net sales (funded deposits) to the receivership defendants' bank accounts.

During this same time period, the receivership defendants issued refunds to consumers totaling \$11,156,934<sup>3</sup>. This amounts to about 9.5% of gross sales.

The details of funded sales by product<sup>4</sup> are discussed later in this report.

The accounting system recorded net sales of \$199,076,671 from May 1999 through July 23, 2007. If the return rate for the entire period was the same as for the period discussed above, gross sales for this time period would be about \$449,383,000. During this time period, the receivership defendants issued refunds of about \$27,132,900.

### **Compliance Programs Implemented by the Receivership Defendants**

The receivership defendants maintain an active and technologically integrated consumer compliance program. The following discussion is based on a review of documents and electronic data, as well as interviews with midlevel and senior management, including personnel from the legal, customer service, and compliance departments.

New employees must attend an orientation meeting and receive thorough training before they are permitted to participate in telemarketing activities. New employees in the call centers are closely monitored and receive on-site training during a probationary period. Managers in each of the call centers maintain a record of disciplinary actions taken with each telemarketer. Managers will discuss violations with a telemarketer and provide warnings and personalized training. Multiple violations by a telemarketer may result in a suspension or eventual termination of employment.

The receivership defendants had a well-staffed in-house legal department with two attorneys, a paralegal and an administrative assistant. The legal department was in the process of adding a third attorney. The legal department handled all inquiries from Better Business Bureaus and from state or federal agencies. The legal department appears well organized and tracks all incoming correspondence. They appeared to be current in all of their responses.

The receivership defendants have spent significant resources to develop and maintain a computer system capable of recording 100% of the calls from consumers. Calls are recorded once the verification process starts. This system allows compliance and customer service personnel to immediately access a recorded conversation with a consumer through a search using the consumer's telephone number.

When a consumer calls the company with the intent to cancel a program, the system is capable of immediately identifying the consumer and the amount of products or programs

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<sup>3</sup> There is a \$26,916 difference between the database and the accounting system. The Temporary Receiver considers this as an immaterial difference.

<sup>4</sup> The sum of net sales discussed below are approximately \$2,735,800 less than total net sales during this time period due to the fact that total net sales during this time period include sales of products no longer offered.

purchased. Priority is given to those consumers with the largest order by dollar amount who are connected to a customer service agent. Customer service agents then employ the save scripts, discussed later in this report, in an effort to prevent the consumer from canceling their purchase. If all of the telephone lines to the customer service department are busy, the system will allow a consumer to cancel their order electronically.

The receivership defendants have a full time staff dedicated to compliance monitoring. The computer system allows the compliance staff to conduct periodic live audits of the verification and upsell process. The receivership defendants advised the Temporary Receiver that compliance staff listen to 100% of the recorded calls and have the authority to invalidate an order. When the compliance department invalidates an order they refer to that order as a "kickout." According to data reviewed by the Temporary Receiver from the receivership defendants' records, from June 1, 2006, through July 23, 2007, the compliance department kicked out transactions totaling about \$24 million. Based on a review of the kickouts by month during this period, it seems that the compliance department has been more stringent in their review of the telemarketing calls during recent months.

During the last five months, the average monthly kickouts totaled 24,015 transactions compared to a monthly average of 15,989 transactions for the first nine months of this period. This would tend to support statements made to the Temporary Receiver by the receivership defendants' in-house counsel that the receivership defendants have made a concerted effort to strengthen their compliance standards as a result of the due diligence conducted by a group of investors that purchased a 26% interest in April 2007. The computer system allows the manager of the compliance department to print out a detailed list of the kickouts referenced directly to the product sold and the call center making the call. This report is then used to identify particular call centers experiencing compliance problems and helps management target those areas for additional training.

The Temporary Receiver listened to approximately 100 recordings of telemarketing calls to consumers. With very few exceptions, the telemarketers spoke so quickly that it was difficult to understand in a meaningful way what was being offered and what was expected of the consumer. Many consumers expressed some level of confusion about when or if they had to cancel the program to avoid having their bank account charged. The fact that a consumer is required to call a separate number to cancel each of the three products is not explained to the consumer. After a consumer agrees to accept the trial membership in the Florida Direct program, which is discussed later in this report, the telemarketer is supposed to qualify the consumer by asking the age and income level of the consumer. Even though several consumers did not qualify based on their response, the telemarketer would continue on as though the person were qualified. The Temporary Receiver would expect that the Florida Direct sale to these consumers would be kicked out by the compliance department, however, the Temporary Receiver was unable to determine if these specific calls were later kicked out by the compliance department. The Temporary Receiver is concerned about an email communication found in the files of the receivership defendants. Under Tab 3 is a copy of that email from Westgate Resorts complaining that, "Most of these customers are

between the ages of 19 to 24, Single.” This suggests to the Temporary Receiver that, at least with respect to the sales of Florida Direct, if the consumer does not qualify for the program the compliance department has failed to prevent billings to a consumer for a product they do not qualify to use.

Despite the receivership defendants’ sophisticated and aggressive compliance program, the Temporary Receiver has serious concerns about the receivership defendants’ telemarketing practices and products as detailed below.

### **Elements and Operation of the Sales Scripts**

While reviewing electronic, hard copy documents, and other information at the premises of the receivership defendants, the Temporary Receiver located mailing and marketing materials for the products promoted to consumers. In addition, the Temporary Receiver also located the sales scripts furnished to the telemarketers and the save scripts used by the employees handling calls from consumers attempting to cancel the service during the trial period or requesting a refund. Senior members of the management team of the receivership defendants drafted and approved all sales and save scripts used by the various call centers making outbound sales calls and the customer service department responding to inbound calls from consumers.

The receivership defendants offer two primary products: Distinct Advantage (now marketed as Variety) and Travel Agents Go Direct (now marketed as Travel Life Go Direct). If a consumer purchases either of the primary products, telemarketers attempt to make an upsale of two additional products. The upsale products for Variety are Teliflex Communications (now Freedom Ring) and Freedom Gold (now Credit Life). The upsale products for Travel Life Go Direct are Floridaway Dream Escapes (now Florida Direct) and Prism Unlimited (now Lucid Communications). The products will be described in detail later in this report. The Temporary Receiver studied the sales scripts for all six products and observed they are all virtually identical in format and text. Only the name, and sometimes the price, of the products are different.

The sales script was created with two sections. The first section has several parts. The consumer is identified as a “valued checking account holder in good standing,” who “automatically qualifies” for the free gifts. The consumer is offered free hotel accommodations or \$100 in free gas savings vouchers and up to \$400 of free airline savings vouchers, but requires the consumer to accept a “14-day trial” into the program. Part two briefly describes the benefits of the program, the 14-day trial period and the cost of the program, which is \$19.95 each month with an activation fee of \$40. The telemarketers advise the consumer to call a toll free number within the trial period if the consumer wants to cancel. The next part outlines a sequence of questions designed to confirm how the consumer’s name appears on his checking account, and the name and location of the bank. This allows the telemarketer to obtain the nine digit ABA routing number for the consumer’s bank. In the final part of the first section of the script, the telemarketer invites

the consumer to follow along in the consumer's checkbook while the agent reads the ABA routing number. This is purportedly done to "verify" the routing number, but the Temporary Receiver is concerned that this practice may serve to dupe the consumers into providing their bank account numbers. After asking the consumer to confirm if the routing number is correct, the telemarketer asks the consumer to read the "next set of numbers," which is the consumer's account number. This portion of the sales call is not recorded.

The second section of the script is the verification process. The consumer is advised that the remaining portion of the call will be recorded. The script is designed to confirm the consumer's bank account information, the sale of the initial product and then introduces two additional products. These two additional products are often referred to in the industry as an upsell.

The scripts for the first upsell products, Florida Direct and Credit Life, vary greatly and will be discussed separately below. The scripts for the second upsell products, Freedom Ring and Lucid Communications, are absolutely identical with the exception of the product name. Both are offered as a "special bonus" for the consumer. The consumer is offered a free 21-day trial of unlimited long distance service and voicemail from Lucid or Freedom Ring. Both products cost \$49.95 each month if not cancelled within the 21-day trial period.

Credit Life is the first upsell for the Variety product. The Credit Life script suggests that "as a new member" the consumer is approved for a \$2,500 line of credit at an online mall with over 100,000 products. The script briefly explains the terms of the use of the line of credit, but does not provide any detail about the limitations faced by consumers that attempt to use the product or the value or pricing structure of the products available for purchase. Even though this product is the most expensive of the three products, the consumer is only offered a seven-day trial period, after which the consumer will be charged an enrollment fee of \$149 and a monthly maintenance fee of \$9.95 if the consumer does not cancel the line of credit within seven days.

Florida Direct is the first upsell for the Travel Life Go Direct program. The Florida Direct script states, "As a new VIP member, Westgate Resorts along with Universal Studios would like to sponsor your first Florida Direct vacation." This language could suggest to the consumer that they have reached some significant level (i.e., VIP member), which qualifies them for the special offer. The script requires the telemarketer to state that the consumer will receive a 90-minute VIP tour and sales presentation, but the telemarketers failed to include the word "sales" in many of the verification recordings reviewed by the Temporary Receiver. Similar to Credit Life, even though this product is the most expensive of the three products, the consumer is only offered a seven-day trial period after which the consumer will be charged a promotional fee of \$149 if the consumer does not cancel the Credit Life enrollment within seven days. Florida Direct does not include a monthly maintenance fee.

While it appears that the receivership defendants were reasonably organized in training, supervising and disciplining the telemarketers, as well as documenting the verification portion of the sale by recording the conversation, the Temporary Receiver is troubled about many portions of the sales process. There is evidence that some of the telemarketers routinely changed the order of the items in the first section of the scripts. By changing the order, a telemarketer could obtain the consumer's banking account information before disclosing to the consumer that there is a cost to the program and that the consumer's bank account would be charged if the order were not cancelled during the trial period. The first portion of the call is not recorded and the receivership defendants do not have sufficient controls in place to prevent all telemarketers from altering the unrecorded portion of the sales presentation.

The Temporary Receiver is also concerned that as a result of the language of the script, a consumer is given the impression that the receivership defendants already have their full bank account information and are only verifying the information in order to qualify for the free gifts. One of the main reasons telemarketers ask for the name and city of the bank is that the telemarketer is able to immediately determine the ABA routing number for the bank, which they read to the consumer while asking the consumer to follow along by reading the consumer's check. The consumer is then asked to verify the last few numbers on the check, which is actually the consumer's bank account number. Another practice the telemarketers are taught is to repeat to the consumer that they "will not be spending any money today" and that they are going to hear about two extra bonuses (the upsales) that are coming out to them "absolutely free." While the strict reading of the text may be technically true, the Temporary Receiver believes a reasonable consumer could easily be confused or misled by the presentation. It should be noted that all of this happens before the receivership defendants start to record the call.

#### *Save Scripts Used by the Customer Service Department*

The receivership defendants also provided specific scripts for use when a consumer contacts customer service and attempts to cancel an order. The scripts are referred to as "save scripts." The Temporary Receiver reviewed numerous save scripts for the products and again observed that all are virtually identical in format and text.

The save script for Travel Life Go Direct provides up to five options that a customer service representative can use to prevent the consumer from canceling an order. The first two save options provide an overview of the benefits of the program and attempt to get the consumer to agree to continue their review of the products. The third save option offers \$100 to \$200 in gas saving vouchers. The fourth save option offers to defer the consumer's membership fee for one month. The final save option offers a membership redemption program that "results in your membership being free." If the consumer does not cancel the order and continues to pay for the program for one full year, they will receive a \$280 credit, which the consumer is told is "valid for travel anywhere, anytime with

zero restrictions.” Purportedly, the \$280 credit can be used for rental cars, air travel or cruises.

There are numerous rebuttal and save scripts that are designed to help a telemarketer make the initial sale or assist the consumer service representative in preventing a cancellation. These scripts include, but are not limited to, Ways to Get Account Numbers, ACH Wrong Number Rebuttals, ACH (CC) Credibility, Account Rebuttals, Not Interested During & After Pitch, Opening Rebuttals, Random Rebuttals, Gas Voucher Saves, Mini-Vacation Saves and Variety Credibility.

Most of the rebuttal scripts appear to be designed to reasonably respond to questions from consumers, however, there are a number of rebuttal scripts which could be easily misinterpreted or misunderstood by the consumer. The following are examples of scripts that concern the Temporary Receiver:

- Consumers are given the impression that they are being called because of a purchase they made from a “marketing partner” of the receivership defendants.
- In an attempt to get the consumer to provide their bank account information, Item #8 of the ACH (CC) Credibility script reads, *“We advertise for multi-billion dollar corporations, the Hilton, Marriott, Radisson, Royal Caribbean and Carnival Cruises. You are familiar with them right? Those companies are not going to allow us to advertise for them if we are stealing consumer’s money and ruining their good name. Wouldn’t you agree? (Back to script).”* The Temporary Receiver could not find any document that suggests any advertising agreements between the receivership defendants and the companies named in this save script. They certainly do not appear to be “marketing partners.”
- It is likely the consumer could be misled when the telemarketer asks the consumer to follow along as the telemarketer reads the first nine numbers on the consumer’s check and then simply asks the consumer to read the last few numbers, which is the consumer’s actual account number. Once the telemarketer acquires the name and location of the consumer’s bank, the telemarketer can immediately access the ABA routing number for that particular bank. By reciting these numbers to the consumer, it may result in leading the consumer to believe that the telemarketer already has the account number, thereby resulting in the consumer inadvertently disclosing it.

### **Products Offered by Telemarketers**

Strategia Marketing, LLC (Strategia) markets products through outbound and inbound telemarketing contact centers located in Largo and Clearwater FL. These rooms are staffed by several hundred employees operating in two shifts and are equipped with sophisticated dialing, recording, and database management systems. As described above, the employees

follow sales scripts that briefly and generally describe the product benefits and more broadly promote a trial-period review of the memberships and services. There is a substantial and persistent effort to get a consumer's bank account information, which will then set up automatic charges to the consumer's bank account, unless the consumer cancels within the trial period.

There is also a customer service room equipped with the same technology, including software geared to account servicing rather than sales to acquire accounts. Strategia also contracts with a telemarketing contact center in India, for fee based telemarketing services.

Data reviewed by the Temporary Receiver indicated that from June 25, 2007 through July 22, 2007 Strategia made solicitations to about 219,000 persons, and made 88,140 sales (agreements to review one or more products and provide bank information). About 93% of the consumers also agreed to review a second product and about 87% also agreed to review a third product.

All products are provided or hosted and fulfilled by two companies, JPW Consultants, LLC (JPW) and Travel Agents Direct, LLC (TAD). JPW is owned by Jeffrey P. Wolf. TAD is owned John Louis Smith II.

According to information from the receivership defendants, the products are provided or hosted by independent companies because the arrangement provides a layer of protection to Strategia if a product or service provider fails. Such a failure can be handled and resolved as a unique and separate event outside of Strategia and lessen the negative impact on other products, service providers, and Strategia. According to company management, the two separate product lines developed a stronger brand association with internet web crawlers. The arrangement also controls telephone licensing fees.

### **JPW Consultants, LLC**

JPW operates under a Services Agreement with Strategia Marketing, LLC, and Co-Compliance, LLC (CC) dated March 29, 2007. Strategia and CC agree to provide project consulting, program management, telemarketing services, data processing, and customer service for the products offered by JPW. The agreement details the type, level, and quality of program servicing and a description of the products.

### ***Offers***

Strategia telemarketers promote a membership with a 14 day trial period in Variety as the primary product. The script states that members will receive discounts up to 50% on travel needs, 40% off movie tickets, discount dining certificates, and a low price guarantee on thousands of everyday products. In addition, the package includes airline vouchers redeemable for up to \$400, and \$100 of vouchers redeemable for gasoline purchased. The

consumer may keep the airline and gasoline vouchers even if the Variety membership is cancelled after the 14 day trial period.

If the telemarketer persuades the consumer to accept the 14 day trial membership in Variety, the consumer is then offered, as a "new member," a seven day trial period with Credit Life with a credit limit of \$2,500 to purchase a range of hard and soft goods from the on-line Freedom Mall. The credit line allows 75% financing for 10 months with no interest.

Whether or not the consumer accepts the Credit Life membership, the telemarketer then offers, as a "special bonus," a 21 day trial of Freedom Ring, an unlimited domestic long distance calling service with voice mail.

### *Pricing and Cost*

If the consumer accepted the Variety trial membership and did not cancel it within the 14 day trial period, then the consumer is charged by a draft drawn on their account. The initial charge is an activation fee of \$40, and the first month's membership fee of \$19.95. The total cost for Variety for 12 months is \$279.

If the consumer accepted Credit Life, and did not cancel it within the seven day trial period, then the consumer is charged by a draft drawn on their account. The initial charge is an enrollment fee of \$149, and the first month's membership fee of \$9.95. The total Credit Life cost for 12 months is \$268.

If the consumer accepted the Freedom Ring calling service and did not cancel it within the 21 day trial period, then the consumer is charged by a draft drawn on their account. The initial charge is the first month's billing fee (including the review period) of \$49.95. The total cost for Freedom Ring calling service cost for 12 months is \$599.

The consumer may affirmatively decide to allow the billing process to begin, or fail to call to cancel the billing process. In either event, the initial billings taken from the consumer's checking account who are enrolled in all three products (Variety, Credit Life, and Freedom Ring) total \$269. The yearly cost for the three products is \$1,147. As detailed above, company data indicates that about 87% of the consumers agreed to receive the membership or service materials for three products.

If the consumer wishes to cancel the billing process for one or more of the products, the consumer must cancel each membership or service separately. Cancellation includes calling different telephone numbers and going through the cancellation process for each product. Cancellation requests are often referred to a representative who is required to make a Save Attempt as described above.

*Travel Agents Direct, LLC*

TAD operates under a Services Agreement with Strategia Marketing, LLC, and CC dated March 29, 2007. Strategia and CC agree to provide project consulting, program management, telemarketing services, data processing, and customer service for the products offered by JPW. The agreement details the type, level, and quality of program servicing and a description of the products. The agreement between Strategia, CC, and TAD appears to be identical to the agreement between Strategia, CC, and JPW.

*Offers*

Strategia telemarketers promote a membership with a 14 day trial period in Travel Life Go Direct as the primary product. The script states that members will receive the same hospitality benefits usually only available to travel professionals, such as discounts of up to 50% on travel needs. In addition, the package includes airline vouchers redeemable up to \$400, and two free nights of hotel accommodations. The consumer may keep the airline vouchers and hotel accommodations even if the Travel Life Go Direct membership is cancelled.

If the telemarketer persuades the consumer to accept the 14 day trial membership in Travel Life Go Direct, the consumer is then offered, as a "new VIP member," a seven day trial period with Florida Direct to activate five nights of vacation at two Florida resorts. The stay requires attending a presentation about purchasing a time-share interest in the resorts.

Whether or not the consumer accepts the Travel Life Go Direct membership, the telemarketer then offers, as a "special bonus," a 21 day trial of Lucid Communications, an unlimited domestic long distance calling service with voice mail. Lucid is almost identical to, and from the same supplier as, the Freedom Ring service offered with Variety through JPW.

*Pricing and Cost*

If the consumer accepted the Travel Life Go Direct trial membership and did not cancel it within the 14 day trial period, then the consumer is charged by a draft drawn on their bank account. The initial charge is an activation fee of \$40, and the first month's membership fee of \$19.95. The total cost for Travel Life Go Direct for 12 months is \$279.

If the consumer accepted the Florida Direct vacation stay and did not cancel it within the seven day trial period, then the consumer is charged by a draft drawn on their bank account. The one-time charge is \$149.

If the consumer accepted the Lucid calling service and did not cancel it within the 21 day trial period, then the consumer is charged by a draft drawn on their account. The initial

charge is the first month's billing fee (including the review period) of \$49.95. The total cost for Lucid for 12 months is \$599.

The consumer may affirmatively decide to allow the billing process to begin, or fail to call to cancel the billing process. In either event, the initial billings taken from the consumer's checking account who are enrolled in all three products (Travel Life Go Direct, Florida Direct, and Lucid) total \$259. The yearly cost for the three products is \$1,028. As detailed above, company data indicates that about 87% of the consumers agreed to receive the membership or service materials for three products.

If the consumer wishes to cancel the billing process for one or more of the products, the consumer must cancel each membership or service separately. Cancellation includes calling different telephone numbers and going through the cancellation process for each product. Cancellation requests are often referred to a representative who is required to make a Save Attempt as described above.

### Product Value and Benefits

Following is a summary of the member and service costs that are detailed above:

	JPW			TAD		
	Variety	Cr. Life	Fr. Ring	TLGD	FL Direct	Lucid
Activitation Fee	40	149	0.0	40	149	0.0
Monthly Fee	20	10	50	20	0.0	50
<b>Tot. Initial Cost</b>	<b>60</b>	<b>159</b>	<b>50</b>	<b>60</b>	<b>149</b>	<b>50</b>
<b>Tot. Initial Cost 3 Items</b>			<b>269</b>			<b>259</b>
Total Monthly Charges	239	119	599	239	0.0	599
<b>Tot. 12 month Cost</b>	<b>279</b>	<b>268</b>	<b>599</b>	<b>279</b>	<b>149</b>	<b>599</b>
<b>Tot. 12 month Cost 3 Items</b>			<b>1,147</b>			<b>1,028</b>

The Temporary Receiver is troubled by several issues relating to the value of the products, the satisfaction and benefits received by the purchasing consumer in exchange for the initial charges and, where applicable, the continuing charges. The Temporary Receiver's concerns center on the benefits that are available from the memberships and the services, as well as the conditions attached to the free gifts that may induce consumers to accept the trial reviews.

There is also concern about the level of use of the purchased products by the consumers. Additional concerns relate to the questionable level of satisfaction evidenced by the total dollar amount and percent of authorized charges that are not funded by consumers, the number of continuing charge arrangements that are cancelled by the consumers, and the amount of requests to return previously paid charges.

The following discussion is based on a review of materials from the premises of the receivership defendants, comparison of prices of various goods, and research of certain industry practices augmented by discussions with industry personnel. The receivership defendants have also provided substantial information and materials to the Temporary Receiver which have been helpful to understand and evaluate the products.

### *Variety*

Initial Cost: \$60 12 Month Cost: \$279

Variety provides access to a third-party on-line shopping site. The receivership defendants provided the Temporary Receiver with a list of more than 500 products purportedly priced on average 32% less than from a retail store. There are about 20 categories, with price reductions ranging from 12-13% for furniture, hardware and tools, camera equipment, and office products, to 40-54% for luggage and leather, giftware, and jewelry and watches. The Temporary Receiver compared three popular items, a Cannon Powershot Digital Camera, an Apple Ipod Shuffle, and a HP Deskjet printer. Prices at the Variety on-line shopping site were higher or the same as at the manufacturer's on-line shopping website.

There are discouraging aspects about using the Variety on-line shopping site. All items are sold without any warranty or guarantee of any kind from Variety. Purchasers must look solely to the manufacturer or provider for the resolution of product problems. Purchasers wishing to return merchandise must request a return authorization within 10 days of receipt, return the items unopened and returns may be subject to re-stocking fees. Shipping is stated to take four weeks.

Much of the Variety membership pamphlet discusses travel savings. The travel services are the same as Travel Life Go Direct and are serviced by the same provider. The discussion below describes how most of the travel benefits appear to be available to consumers without the Variety membership.

The discount dining cards appear to be available to any visitor directly accessing the supplier's website.

The Temporary Receiver has concluded that the Variety membership program offers limited and questionable benefits for its \$279 cost for the first 12 months. While savings on some hard and soft good merchandise may be available, the lack of market-comparable guarantees and delivery times diminish the value. Some saving opportunities are nominal (movie tickets, Jiffy Lube 10% discount, amusement park tickets), while other savings opportunities are available without a required membership.

### *Credit Life*

Initial Cost: \$159 12 Month Cost: \$268

As noted above, the first additional service offered during the verification process is Credit Life. It provides access to a third-party on-line shopping site, with a \$2,500 credit line. The credit line requires a 25% down payment on each purchase, with the balance of the order payable over 10 months with no interest. The Temporary Receiver compared a small sample of offered items to the manufacturer's or retailer's on-line shopping website. Three L. L. Bean items from Credit Life were priced 80% to 105% higher than from L. L. Bean website. A pair of \$300 shoes from Cole Haan were priced higher by Credit Life. Young children's toys were priced by Credit Life at 100% to 166% higher than Wal Mart. A power jig saw was priced by Credit Life at 173% higher than the manufacturer's on-line shopping site.

The Credit Life arrangement appears to price items for sale at a level such that the required 25% down payment recovers all or most of the seller's cost. Consequently, the selling price of many goods is significantly higher than the available retail market.

If a purchaser of the Credit Life service were desperate to obtain financing to buy hard and soft goods, and understood the price premium and the resulting increased cost required to use the service, then perhaps that person would calculate a benefit from Credit Life. However, that benefit would have to be enough to cover \$268 for the 12 month cost of the service, plus the prices that are often significantly higher than prices available from other retail sellers. It is questionable whether such a purchaser, apparently with no other consumer financing available, would be able to make use of the travel services available from Travel Life Go Direct.

### *Freedom Ring*

Initial Cost: \$0.0 12 Month Cost: \$599

The second additional service offered during the verification process is Freedom Ring. It is presented as an unlimited long distance service with voice mail. Although it is paid in arrears, the service functions almost exactly as a pre-paid calling card. The consumer must enter a seven digit access number, then usually enter a pass code, then enter the 10 digit phone number. Company materials compare the service to the cost of in home long distance service. However, in home service long distance service requires only 11 digit phone numbers and does not require an access code and a pass code to be entered. The comparison is flawed.

Company records indicate that in 2006 active users for both Freedom Ring and the identical product Lucid completed an average of 14 calls using six minutes for each call, or a total of 86 long distance minutes for the 12 months of 2006. If the average consumer

used a calling card supplied by a major carrier with a rate of five cents per minute, the yearly cost would be \$4.30 compared to the cost of \$599 for the Freedom Ring service. It is true that consumers could use hundreds or thousands of minutes for long distance calls with this plan. However, the company records demonstrate that consumer usage is consistently limited.

***Free Gifts for Agreeing to the Trial Period***

Telemarketers offer Variety prospects \$100 in gas savings vouchers and up to \$400 of airline saving vouchers for agreeing to supply a bank account number and to review the membership or service for 7, 14 or 21 days. Both vouchers require the consumer to purchase gasoline or airline tickets and apply for refunds. For gasoline, \$10 is refunded each month for 10 months provided the consumer mails in a receipt for at least a \$10 gasoline purchase each month. The consumer will receive a \$10 direct deposit and another voucher by mail for future use. There is no make up for missed months and only one \$10 voucher is processed each month. If the consumer is diligent and consistent, he will receive \$100 over a 10 month period.

The \$400 of airline savings vouchers come with a more complex redemption process. Consumers have to spend \$2,200 to apply for a \$400 refund, \$550 to apply for a \$100 refund, and \$250 to apply for a \$25 refund. Bay Pines Travel, Inc., the servicer for all travel services and benefits, selects the airline carrier. The trip must include a Saturday night stay and travel to or from an airline's hub city does not qualify for the rebate.

It is true that the \$100 gasoline rebates can be collected over a ten month period, and the \$400 airline rebates can be collected after a trip costing \$2,200 with calendar and destination restrictions. However, the rewards do not have the same utility and suggested ease of collection that the telephone script implies. The values are diminished by the effort and the process to collect the gasoline refunds, and the travel restrictions and the spending requirements to collect the airline refunds. It is not possible, as many consumers probably anticipate, to hand the vouchers to a gas station attendant or to an airline sales agent and instantly receive the discount.

***Travel Life Go Direct***

Initial Cost: \$60 12 Month Cost: \$279

Travel Life Go Direct provides internet access and telephone access to members to purchase travel services. Website access links to a subsidiary of Expedia, named WC Travel. WC Travel is not available to the public and specializes in providing discounted hotel rates along with other travel services. Telephone access by members makes use of the Galileo travel service, formerly Apollo Travel. All travel service is monitored and receives quality control review by Bay Pines Travel, Inc.

The members of Travel Life Go Direct receive the discounts available to Bay Pines through WC Travel and Galileo travel services. The members do not pay any service charges, such as \$25 to \$100 fees for booking air travel. However, there are no additional discounts beyond the discounts available to Bay Pines. It appears, based on discussions with travel industry professionals, that a Travel Life Go Direct member receives nothing more than the regular retail customers of Bay Pines receive, except there are no service charges for airline tickets. The internet access to book travel is available to consumers on many websites through travel companies such as Expedia. However, the members may be able to obtain discounted hotel rates not available to non-member consumers, but still available to retail customers of Bay Pines.

Consumers may be able to recapture the cost of the \$279 membership by using the Travel Life Go Direct services compared to using another travel agency. However, based on the information available on an annual basis, it is likely that the same travel arrangements could be made by a non-member using a travel service such as Big Pines for an additional expense (probably airline booking fees) less than the \$279 membership cost. In 2006, revenue from all Travel Life Go Direct bookings was 8.0% of Big Pine's total revenue. For the seven month period ending July 25, revenue from all Travel Life Go Direct bookings was 13.6% of Big Pine's total revenue.

#### *Florida Direct*

Initial Cost: \$149.00            12 Month Cost: \$149

The first additional service offered during the verification process is Florida Direct. It offers five nights of hotel accommodations in Orlando and Cocoa Beach Florida. The vacation is offered at a Westgate Resort timeshare development. The consumer purchasers are required to attend a 90 minute sales presentation about buying a time share interest in the resort which is visited. If a consumer is interested in a time share opportunity and willing to listen to a 90 minute sales presentation, then the \$149 cost is less than the cost to stay at the resorts made available to the public through Westgate Resort's website, which is \$199 for three nights. However, to use this opportunity, the consumer must have also agreed to purchase the Travel Life Go Direct membership for a 12 month cost of \$279. To derive an overall benefit from the two services, the consumer must at least recapture the \$279 cost of the Travel Life Go Direct membership.

#### *Lucid*

Initial Cost: \$0.0 12 Month Cost: \$599

The second additional service offered during the verification process is Lucid. It is presented as an unlimited long distance service with voice mail and is identical to the Freedom Ring service described above. The same observations and conclusions apply to Lucid: if the average consumer used a calling card supplied by a major carrier with a rate of

five cents per minute, the yearly cost would be \$4.30 compared to the cost of \$599 for the Freedom Ring service. While consumers could use hundreds or thousands of minutes for long distance calls with this plan, the company records demonstrate that consumer usage is consistently limited.

**Free Gifts for Agreeing to the Trial Period**

Telemarketers offer Travel Life Go Direct prospects two free nights of hotel accommodations and up to \$400 of airline saving vouchers for agreeing to supply a bank account number and to review the membership or service for 7, 14 or 21 days. The two free nights are at a time share resort and require the consumer to attend a 90 minute sales presentation about buying a time share interest in the visited resort. If a consumer is interested in a time share opportunity, or willing to listen to a 90 minute sales presentation, then the gift has value.

As with the free gift for the Variety membership, the \$400 of airline savings vouchers come with a complex redemption process. Consumers have to spend \$2,200 to apply for a \$400 refund, \$550 to apply for a \$100 refund, and \$250 to apply for a \$25 refund. Bay Pines selects the airline carrier. The trip must include a Saturday night stay and travel to or from an airline's hub city does not qualify for the rebate.

The rewards do not have the same utility and suggested ease of collection that the telephone script offer implies. The values are diminished if a consumer has no interest in a time share opportunity or listening to a 90 minute sales presentation and by the travel restrictions and spending requirements to obtain the airline refunds.

**Indications of Consumer Satisfaction**

Observations and conclusions can be taken from a study of company records about the level of use of the products purchased by consumers. An extremely low level of usage is indicative of the quality of the memberships and services sold. The Temporary Receiver's concerns about the value of the memberships and services sold by the receivership defendants are compounded by consumer reaction as evidenced by limited usage.

Strategia's internal Product Usage report for 2006 (Tab 4) shows very low usage, far less than 5% of the product sold, except for gasoline voucher rebates. It should be noted that some third party on-line ordering locations and some of the travel services are not providing usage data to the receivership defendants.

Another measure of purchaser satisfaction and perception of value and benefit is available from reviewing the total number, dollar amount, and percent of authorized charges that are not funded by consumers, the number of continuing charge arrangements that are cancelled by consumers, and the amount of requests to return previously paid charges.

For the period from June 2006 to the present, authorized sales totaled \$114.5 million. \$51.7 million of the authorized charges were returned unpaid from the consumers' banks. By number of sales and dollar amount, Florida Direct has the most returns at about 53%. The next highest number of returns was Lucid at about 37%, followed by Credit Life at about 35%. The returns for the other products were 28% to 32% by number and 32% to 43% by dollar. The database has recorded cancellations from consumers of approximately \$51 million. Due to the limitations of the database discussed above, the Temporary Receiver believes some of these cancellations may represent cancellations for sales not in the current database. Additionally, receivership defendants issued refunds of about \$11 million.

### **Operational and Employee Issues**

The Temporary Receiver and company management have worked together since the inception of the temporary receivership to resolve a number of issues involving employees, the payment of pre-receivership and post-receivership debts for the purpose of maintaining and preserving assets, and analysis of the business operations of the receivership defendants and their affiliates.

Most of the receivership defendants' approximately 750 employees work duties were suspended and they were placed on temporary layoff status on July 25, 2007. Those employees were owed salaries for one week and two days. All employees have been paid on their scheduled payroll dates. The employee health insurance plan was based on a 50% contribution by the employees and 50% by the receivership defendants. In order to maintain health insurance during the temporary receivership, the Temporary Receiver, with the concurrence of company management, decided the company would pay 100% of the insurance premium. The receivership defendants also offered a 401k plan to their employees whereby the employees would contribute earnings from their salary and the receivership defendants would match that contribution up to 3% of the salary. The Temporary Receiver worked with company management and the outside 401k administration company to insure employees on temporary layoff status would be able to borrow against the vested portion of their 401k account.

The Temporary Receiver has made payments to pre-receivership and post-receivership creditors for the purpose of maintaining and preserving assets. These payments include, but are not limited to, paying the contractor who was completing work on the new St. Petersburg building, who in turn paid his subcontractors, to avoid mechanic's liens being placed against the property, paying certain expenses to maintain the vessel, and paying certain expenses to maintain the Largo facility.

## Conclusion

In summary, it appears that while the receivership defendants have a strong compliance function, the overall marketing goal is to obtain, often with misleading tactics, consumer banking information that is utilized to market and obtain payment for memberships and services of questionable value or utility. The Temporary Receiver will continue to suspend operations pending instructions from the Court.

Respectfully submitted,

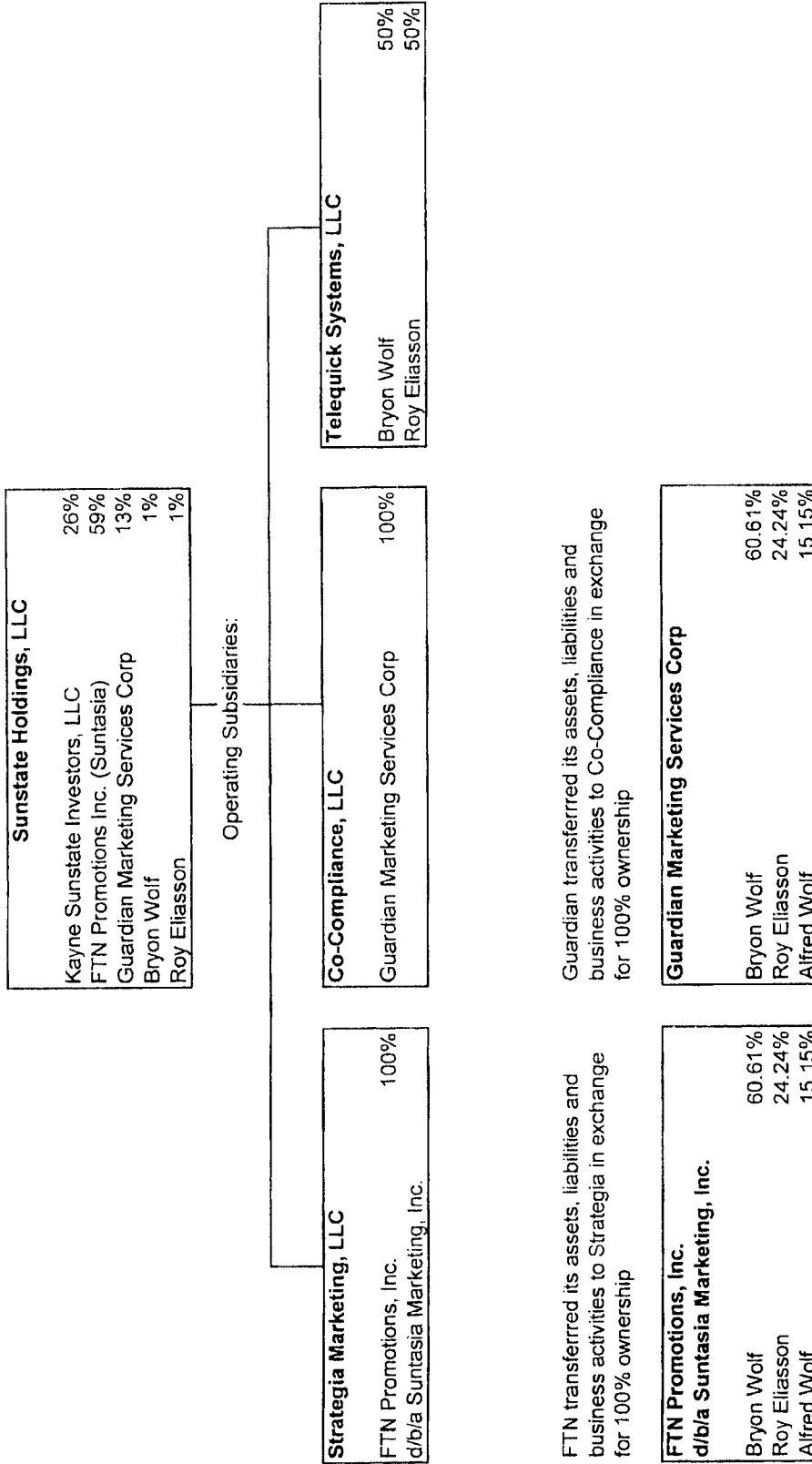
/s/

Robb Evans & Associates LLC  
Temporary Receiver

TAB 1

Sheet1  
Prepared by: MC  
6/17/07

Strategia Marketing LLC  
Organization Chart/ownership structure  
As of 3/31/07



**Strategia Marketing, LLC**  
FTN Promotions, Inc. 100%  
d/b/a Suntasia Marketing, Inc.

FTN transferred its assets, liabilities and business activities to Strategia in exchange for 100% ownership

**FTN Promotions, Inc.  
d/b/a Suntasia Marketing, Inc.**  
Bryon Wolf 60.61%  
Roy Eliasson 24.24%  
Alfred Wolf 15.15%

**Sunstate Holdings, LLC**  
Kayne Sunstate Investors, LLC 26%  
FTN Promotions Inc. (Suntasia) 59%  
Guardian Marketing Services Corp 13%  
Bryon Wolf 1%  
Roy Eliasson 1%

Operating Subsidiaries:

**Co-Compliance, LLC**  
Guardian Marketing Services Corp 100%

Guardian transferred its assets, liabilities and business activities to Co-Compliance in exchange for 100% ownership

**Guardian Marketing Services Corp**  
Bryon Wolf 60.61%  
Roy Eliasson 24.24%  
Alfred Wolf 15.15%

**Telequick Systems, LLC**  
Bryon Wolf 50%  
Roy Eliasson 50%

TAB 2

Robb Evans, Robb Evans & Associates, LLC  
 Temporary Receiver of FTN Promotions, Inc. et al.  
 Bank Account Balances as of July 25, 2007

Financial Institution	Account Name	Account Number	Confirmed Balances (TRO 07/25/07)
Bank of America	Suntasia Marketing, Inc.	xxxxxxx3556	\$6,162.66
Bank of America	Guardian Marketing Services, Inc.	xxxxxxx3569	\$1,995.63
Bank of America	Guardian Marketing Services, Inc Settlement	xxxxxxx3611	\$753.35
Bank of America	Guardian Marketing Services, Inc. Refund	xxxxxxx7597	\$29.45
Bank of America	Suntasia Properties, Inc.	xxxxxxx3530	\$101,885.83
Bank of America	Suntasia Eagle Park Expense Account	xxxxxxx5963	\$317.25
Bank of America	Opportunity Partners, LLC	xxxxxxx7610	\$175,502.01
Bank of America	Ulmerton Road Properties LLC	xxxxxxx3543	\$11,379.87
Bay Cities Bank	FTN Promotions, Inc.	xxx8790	\$16,267.29
Bay Cities Bank	Co-Compliance LLC Refund	xxx8839	\$97,064.13
Bay Cities Bank	Co-Compliance LLC Settlement	xxx8842	\$405,668.21
Bay Cities Bank	Strategia Marketing, Inc. Refund	xxx8871	\$394,847.78
Bay Cities Bank	Guardian Marketing Services Corp Settlement	xxx8897	\$4,523.31
Bay Cities Bank	Guardian Marketing Services Corp Refund	xxx8907	\$5,585.15
Branch Banking & Trust Company	Guardian Marketing Service Corp Settlement	xxxxx9633	\$6,493.63
Branch Banking & Trust Company	Guardian Marketing Service Corp Refund	xxxxx9226	\$68,335.70
Branch Banking & Trust Company	Suntasia Marketing, Inc	xxxxx9250	\$9,348.18
Branch Banking & Trust Company	Strategia Marketing, LLC	xxxxx6046	\$403,883.73
Branch Banking & Trust Company	Co-Compliance LLC Settlement	xxxxx6054	\$256,072.02
Branch Banking & Trust Company	Co-Compliance LLC Refund	xxxxx6062	\$96,900.17
Mercantile Bank	Guardian Marketing Services Settlement	xxxxx8978	\$31,118.21
Mercantile Bank	Guardian Marketing Services Refund	xxxxx8967	\$113,212.56
Mercantile Bank	FTN Promotions dba Suntasia Marketing	xxxxx8857	\$2,130.10
Mercantile Bank	Strategia Marketing LLC	xxxxx1990	\$207,496.77
Mercantile Bank	Co-Compliance LLC Settlement	xxxxx2001	\$377,356.70
Mercantile Bank	Co-Compliance LLC Refund	xxxxx48791	\$66,473.67
Synovus Bank	Strategia Marketing	xxx8085	\$1,627,556.17
Synovus Bank	Co-Compliance LLC	xxx8352	\$73,692.43
Synovus Bank	Guardian Marketing Settlement	xxx0299	\$66,369.48
Synovus Bank	Suntasia Marketing, Inc. Settlement	xxx0302	\$34,512.20
Synovus Bank	Guardian Marketing Services Refund	xxx0310	\$59,466.12
Synovus Bank	Telocity LLC	xxx8034	\$0.01
Synovus Bank	Co-Compliance LLC Settlement	xxx8166	\$316,643.85
Synovus Bank	Co-Compliance LLC Refund	xxx8174	\$101,038.36
Synovus Bank	Strategia Marketing, LLC	xxx8387	\$17,561.96
The Palm Bank	Guardian Marketing Settlement	xxx5719	\$17,538.04
The Palm Bank	Guardian Marketing Services Refund	xxx1297	\$65,898.45
The Palm Bank	Co-Compliance LLC Settlement	xxx1254	\$564,931.06
The Palm Bank	Co-Compliance LLC Refund	xxx1157	\$90,463.65
The Palm Bank	Strategia Marketing	xxx1130	\$466,910.04
The Palm Bank	FTN Promotions	xxx5859	\$890.33
Wachovia Bank, NA	FTN Promotions, Inc.	xxxxxxxxx7721	\$20,441.35
Wachovia Bank, NA	Suntasia Marketing, Inc.	xxxxxxxxx2079	\$846.61
Wachovia Bank, NA	Guardian Marketing Services	xxxxxxxxx7068	\$10,066.58
Wachovia Bank, NA	Guardian Marketing Services	xxxxxxxxx7084	\$37,957.51
<b>Grand Total</b>			<b>\$6,433,587.56</b>

TAB 3

**Frank Madland**

---

**From:** Solangel Gonzalez [solangel\_gonzalez@wgresorts.com]  
**Sent:** Monday, June 04, 2007 3:10 PM  
**To:** Frank Madland; Michelle Levy; Antoine Williams; Catherine Sferrazza; Anthony Barbera; Brenda Lopez  
**Subject:** Not qualified

Frank,

I have had several calls from customers for My Floridaway. Value season starts Sept. 9, 2007 through November 11th.

Married  
25-68  
40, 900

Single Female MUST be  
30-68  
40,000

Single Male MUST be  
30-68  
75,000

Solie

To Travel Peak they must meet all qualifications. Most of these customers are between the ages of 19 to 24, Single. If you have any addition question please e-mail me the information. I am the only person here and I am constantly on the phone with customers. It is so much easier to sent me an e-mail and I will response as soon as possible.

Solie

TAB 4

		Product Usage 2006																																	
		Usage - Total Usage January - December 2006																																	
		Active - Total number of funded/paid active members as of January 9, 2007																																	
<b>Buyers Club / Catalog</b>																																			
	Active	CS Calls	Unique Web Hits	Total Hits/Clicks	Gross Prod Ordered	Shipped Prods	Gas Rebates																												
Buyers Club	23,924	12,433	22,967	2,622,700	-	-	3,184																												
Catalog	24,220	51.97%	96.00%	-	-	-	13.31%																												
		23,258	26,808	4,226,387	767	147	3781																												
		96.03%	110.69%	-	3.17%	0.61%	15.61%																												
Total	48,144	35,691	49,775	6,851,087	767	147	6,965																												
		74.13%	103.39%				14.47%																												
<b>Travel Club / Mini Vacation</b>																																			
	Active	CS Calls	Unique Web Hits	Total Hits/Clicks	Gas Rebates	Mini Vac Reservation																													
Travel Club	54,290	17,331	25,626	2,183,727	4,776	-																													
		31.92%	47.20%	-	8.80%	-																													
Mini Vacation	77,659	34,296	12,360	1,058,097	1,393	1210																													
		44.22%	15.94%	-	1.80%	1.56%																													
Total	131,949	51,627	37,986	3,241,824	6,169	948																													
		39.16%	28.81%		4.68%																														
<table border="1"> <thead> <tr> <th colspan="2">*Travel Bookings Jan-Dec-May06</th> </tr> </thead> <tbody> <tr> <td>Airfares</td> <td>\$627,881.52</td> </tr> <tr> <td>Tours</td> <td>\$242,485.42</td> </tr> <tr> <td>Hotels</td> <td>\$44,140.89</td> </tr> <tr> <td>Car Rentals</td> <td>\$21,116.86</td> </tr> <tr> <td>Cruise</td> <td>\$503,372.34</td> </tr> <tr> <td>Insurance</td> <td>\$5,118.00</td> </tr> <tr> <td>Misc. Income</td> <td>\$593.80</td> </tr> <tr> <td>Ticketing Fee</td> <td>\$20,813.65</td> </tr> <tr> <td>Membership Fee</td> <td>\$3,320.00</td> </tr> <tr> <td>GEM Override</td> <td>\$18.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$1,468,872.56</b></td> </tr> </tbody> </table>												*Travel Bookings Jan-Dec-May06		Airfares	\$627,881.52	Tours	\$242,485.42	Hotels	\$44,140.89	Car Rentals	\$21,116.86	Cruise	\$503,372.34	Insurance	\$5,118.00	Misc. Income	\$593.80	Ticketing Fee	\$20,813.65	Membership Fee	\$3,320.00	GEM Override	\$18.00	<b>Total</b>	<b>\$1,468,872.56</b>
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<p>**Travel Bookings are for Bay Pines Travel gross travel sales and include both the membership clients as well as retail clients. The company is in the process of enrolling all retail clients into the club membership by extending a complimentary membership. Bay Pines will service the Travel Agents Go Direct members exclusively. The new club activations with Bay Pines Travel as the service provider began in March of 2008. The balance of the travel club members sold since 2001 have been serviced by a 3rd party service provider and the company does not have access to these service records.</p>																																			
<b>Long Distance</b>																																			
	Active	CS Calls	Unique Web Hits	Total Hits/Clicks	Gas Rebates	Total Minutes Used	Total Calls Made	Avg Min/Call																											
LD	58,892	24,109	8,270	1,151,057	6,368	5,044,633.34	841,544	5.99																											
		40.94%	14.04%		10.81%																														
<p>**CS Calls are only calls that came in with questions regarding the products- it does not include cancel and/or refund requests.</p> <p>***The Gas Rebates are used as a CS Save tool. For most of the year they were not going out product specific. The total has been pro rated and applied to each product based on the percentages of the ones that did go out product specific.</p>																																			