

**Robb Evans, Receiver of
Equinox International Corp.,
Advanced Marketing Seminars, Inc.,
BG Enterprises, Inc.,
Related Corporations or Business Entities
and Certain Other Assets**

Claimant Update December 2005

Claim Validation Progress

The Receiver has requested the Court to approve the completed claim administration. Subject to further Court approval there are currently 63,958 approved claims for an amount of \$331,033,927.77. Go to www.robbevans.com/html/eqnxpage.html to read all reports filed by the Receiver for Equinox International Corp or to view the Receiver's Motion to Approve the Claim Administration.

Estimated Time of Distribution

Many of you have been wondering why the claim process has taken more than three years and when you can expect a distribution. As outlined in the most recent Report of Receiver's Activities, there is one remaining important and complex issue that must be resolved before the Receiver can distribute funds to approved claimants. The \$12 million Internal Revenue Service claim against the estate is still being negotiated. We have been advised that the IRS Settlement Agreement is in the "final approval process". Although the Department of Justice continues to mediate the issue, and progress toward completing a settlement is reported, the timing and outcome of a resolution is not yet known.

Settling the IRS claim for a reasonable amount must be completed before any distribution can be approved and completed.

Claims Administration and Consumer Redress

As previously reported, on December 11, 2003, the Court signed an Order Establishing Claims Bar Dates, Claims Objection Procedures And Approving Receiver's Prior Claims Determinations.

The Order approved the Receiver's prior Distributor Claim determinations and the request to establish detailed Distributor Claim Objection Procedures. The Distributor Claim Objection procedures requested by the Receiver, and approved by this Court, sought to provide the maximum amount of claim benefits to the largest group of approved claimants. The underlying principle of the Claim Administration Procedures was to require complete and acceptable documentation for the portions of claims that exceed the average amount claimed by all distributors, or the amount determined to be usual.

As previously reported, the average claim for Net Purchases and for Net Business

Expenses was each less than \$4,000. Based on a review of available data and other information, the usual claim for each portion of the claim was determined to be \$12,000. Consequently, the Receiver requested claimants to furnish documentation to support claims for Net Purchases or Net Business Expenses in excess of \$12,000. Please note: only those claimants that had either the Net Purchases or Net Business Expenses portion of their claim in excess of \$12,000 were subject to notice. The notice was not based on the combined Total Amount Claimed.

From the responses, or lack of responses from the claimants, the approved Distributor Claim Objection Procedures resulted in reduction and other revisions to the Net Purchases calculation for 1,973 claimants and reduction and other revisions to the Net Business Expense calculation for 2,865 claimants. For the claimants in excess of \$12,000, claims for Net Purchases were reduced to \$8,318,450 from \$40,867,694. Additionally, for claimants in excess of \$12,000, claims for Net Business Expense were reduced to \$43,390,780 from \$97,994,410.

The approved Distributor Claim Objection Procedures potentially reduced claims in excess of \$12,000 for either Net Purchases or Net Business Expenses by \$87.6 million to \$51.7 million from \$138.8 million. The reduced claims provide an increased share of the available distribution fund for all claimants.

Following directions in the approved Order, the Receiver's staff mailed letters to these 4,933 claimants describing how their claims were revised and the amount of the revision. About 950 of the letters were returned as undeliverable because claimants failed to inform the Receiver of a change of address. We requested updated address information from the United States Post Office and obtained some revised addresses.

Of the approximate 4,000 distributor claimants that received the letter describing how claims were revised and the amount of the revision, 186 objected to the Receiver's changes. The Receiver's staff has resolved 178 of the objections, often with additional mutually agreed-upon revisions. The remaining eight objections cannot be resolved and the Receiver has asked the Court to determine and direct the resolution of each of the remaining eight claims.

Pursuant to the Court's Order the Receiver has put all unresolved distributor claimant objections, without changes to the distributor's wording, into a suitable format, and filed them with the court. The Receiver has provided his recommendations for their adjudication. The Receiver has requested the Court to schedule a hearing on the filed objections and will provide the claimants with unresolved objections notice of the hearing date.

Distribution Plan

Timely submitted and approved claims are eligible for the following distribution plan as outlined in the Notice of Mandatory Class Settlement Agreement.

Your share of the Settlement Fund will equal a percentage multiplied by the amount of money in the Settlement Fund. The percentage will depend on the ratio between the dollar amount of your approved qualifying claim and the dollar amount of all approved qualifying claims. If, for example, your approved qualifying claim totals \$5,000, and all approved qualifying claims together total \$300,000,000, your percentage would be 0.001515%. Assuming the Settlement Fund has \$15,000,000 in it after deduction of fees and expenses for taxes, Class Counsel and other attorneys, liquidation costs, and other senior claims, your share of the Settlement Fund would be \$227.27.

Your share therefore depends not only on the amount of your qualifying claim but also on the amount of approved qualifying claims by other Potential Claimants, the amount of other claims deemed to be senior or equal to the approved qualifying claims of Potential Claimants, and the amount of money in the Settlement Fund.

Please remember that the final amount of the Settlement Fund has not been determined.

Pending Product Refunds

All claims for product refunds have been added to the Final Claim Amount and will be processed according to the approved Distribution Plan.

BACKGROUND

On April 20, 2000, the United States District Court of the District of Nevada approved a settlement between Bill Gould, the Federal Trade Commission, and several states. Among other things, the settlement provided that Equinox International, Corporation would no longer operate as an active business. Consequently, Equinox was not able to ship any products, nor pay any rebates or bonuses for products previously shipped.

As part of this settlement, Robb Evans was appointed Permanent Receiver of Equinox International, Inc. with the full power of an equity receiver. Mr. Evans is an officer of the Court and, therefore, is a neutral party in this matter.

The Receiver was directed by the Court to liquidate certain assets of the defendants and to formulate a plan for distribution of the assets to certain consumers. The Receiver concluded that some of these assets were very complex and the liquidation process would be lengthy.
