

**ROBB EVANS &
ROBB EVANS & ASSOCIATES, LLC
Temporary Receiver of
Fortune Hi-Tech Marketing, Inc., et al.**

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**Federal Trade Commission, State of Illinois,
Commonwealth of Kentucky and State of North Carolina**

v.

Fortune Hi-Tech Marketing, Inc., et al.

CASE No. 13-CV-578 JWD

**REPORT OF TEMPORARY RECEIVER'S ACTIVITIES
January 24, 2013 through February 19, 2013**

Filed February 20, 2013

ROBB EVANS and ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of
FORTUNE HI-TECH MARKETING, INC.
FHTM, INC.
ALAN CLARK HOLDINGS, LLC
FHTM CANADA, INC.
FORTUNE NETWORK MARKETING (UK) LIMITED

REPORT OF TEMPORARY RECEIVER'S ACTIVITIES
January 24, 2013 through February 19, 2013

This report covers the activities of the Temporary Receiver¹ 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 temporary receivership.

Overview

In addition to providing financial details from January 1, 2009 through December 31, 2012 of the Receivership Defendants' activities, this report will discuss and provide detailed information about the results of Fortune Hi-Tech Marketing, Inc.'s compensation program. At least from 2009 through 2011, more than 81% of commissions paid to the Independent Representatives were recruiting bonuses for recruitment of new participants. In 2012, recruiting bonuses were about 62% of total commissions.

During 2009 to 2012, approximately 98% of the Independent Representatives received less than \$1,000 of commissions per year while an average of 74.4% of the Independent Representatives earned less than \$10.00 per year. More than 88% of the Independent Representatives did not earn more than the enrollment fees to recoup their initial investments. Conversely, less than 0.1%, or an average of 39 of the Independent Representatives, received more than \$100,000 in net commissions per year. The results also show a very high dropout rate of new participants. From 2009 to 2011, more than 94% of the Independent Representatives did not renew their positions after their initial year.

Fortune Hi-Tech Marketing, Inc. and Alan Clark Holdings, LLC paid a total of \$41.3 million in dividends to their shareholders from inception through January 2013. These two companies also paid approximately \$7.5 million in salary to their shareholders from 2007 to 2012. Of these amounts, Paul Orberon and Thomas Mills received a total of \$21.2 million

¹ Reference to the Temporary Receiver in this report means the Temporary Receiver, the Temporary Receiver's deputies, its staff, and its counsel.

and \$18.1 million, respectively, in dividends and salary. Other shareholders, many of whom appear to be family members of either Mr. Orberson or Mr. Mills, received approximately \$9.5 million in dividends and salary.

Custody, Control and Possession

On January 28, 2013 the Temporary Receiver entered the business premises located at 880 Corporate Drive, Lexington, Kentucky and a warehouse facility located at 20 Gose Pike, Danville, Kentucky. The Temporary Receiver secured the premises by changing the locks and took custody, control, and possession of all assets and documents on the business premises. The Temporary Receiver completed a photographic inventory of receivership assets and interviewed employees.

The Temporary Receiver met with and solicited cooperation from individual defendants, Mr. Paul C. Orberson and Mr. Thomas A. Mills. Mr. Orberson and Mr. Mills cooperated with the Temporary Receiver and instructed the company management and key employees to cooperate with the Temporary Receiver.

Mr. Orberson introduced the Temporary Receiver to the Vice President of Operations for Canada. The Temporary Receiver informed the Vice President of Operations that operations were suspended and no recruitment or product sales were authorized. The Temporary Receiver did authorize a limited shipment of a few products that had been paid for.

Communications with Representatives

The company had a pre-arranged conference call with its senior sales representatives scheduled to take place at 11:00 a.m. EST on January 28th. Mr. Orberson informed approximately 425 participants on the call of the lawsuit filed by the Plaintiffs. The Temporary Receiver participated in the call and made the following points:

- A Complaint was filed by the Federal Trade Commission, the Commonwealth of Kentucky, and the states of North Carolina and Illinois.
- The complaint alleges that Fortune Hi-Tech Marketing is operating an illegal pyramid scheme and it is also accused of misrepresentations.
- The US District Court issued a Temporary Restraining Order and appointed Robb Evans and Robb Evans & Associates LLC as Temporary Receiver.
- As part of its duty to evaluate whether the company can be operated lawfully and profitably, the Temporary Receiver suspended operations while performing that review. While operations are suspended there will not be any shipments or collection of fees or charges.

- The US District Court has scheduled a hearing on February 7 where one of three outcomes may occur: the Temporary Restraining Order could be dissolved, or it could be extended, or it could be replaced with a Preliminary Injunction.

Mr. Orberson worked with the Temporary Receiver to develop a written communication for the purpose of emailing that written communication to all active representatives and notifying the representatives of the lawsuit filed by the Plaintiffs. On January 28th approximately 45,000 representatives were sent a broadcast email informing them of the lawsuit.

The company maintained and operated 20 websites. On January 28th the Temporary Receiver worked with the company's information technology staff and all of these websites were disabled and redirected to the Temporary Receiver's website. The Temporary Receiver's website contains copies of this Court's Temporary Restraining Order, other documents filed with this Court and a Notice to Representatives and Consumers (Tab 1).

Financial Information

Fortune Hi-Tech Marketing Inc., FHTM Inc., FHTM Canada Inc., Fortune Network Marketing (UK) Limited (collectively, "FHTM") and Alan Clark Holdings, LLC ("Alan Clark") have operated as a common enterprise conducting the multi-level marketing business, selling various products and services using a network of independent representatives. The Temporary Receiver interviewed the Chief Analytics Officer, the Comptroller, and the Information Technology Director and reviewed financial records and other data with them. These company officers provided many detailed reports, data, and other information requested by the Temporary Receiver. All of the data discussed in this section of the report was obtained by the Temporary Receiver from the Receivership Defendants.

Balance Sheets

Under Tab 2 are balance sheets for FHTM and Alan Clark. The table below summarizes the total assets, liabilities, and equity of FHTM and Alan Clark as of December 31, 2012.

	<u>FHTM</u>	<u>Alan Clark</u>
Total Assets	\$ 4,525,128	\$1,053,234
Total Liabilities	\$ 3,240,254	\$ 92,392
Total Equity	1,284,874	960,842
Total Liabilities & Equity	<u>\$ 4,525,128</u>	<u>\$1,053,234</u>

At December 31, 2012 FHTM's balance sheet lists an inventory value of approximately \$2.1 million. The Temporary Receiver was advised by company management that the inventory value is overstated; however, the Temporary Receiver has not yet determined the amount by which the inventory may be overstated. A summary of the inventory is as follows:

<u>Description</u>	<u>Costs Per Books</u>
True Essential Products	\$ 1,127,416.28
Envy Beauty Products	532,151.28
Literature	65,036.14
Promotional Products	47,691.44
Sign Ups/Manager Kit	15,966.80
Other	3.00
Inventory stored in Danville	\$ 1,788,264.94
Inventory stored in Canada	291,768.16
Total Per Books	<u>\$ 2,080,033.10</u>

Fixed assets consisting of furniture, fixtures, and computer equipment are valued at \$373,751.

FHTM's balance sheet shows a total of \$800,906 in receivables as of December 31, 2012, which includes approximately \$565,000 in merchant reserve accounts, and \$201,000 in credit card receivables.

FHTM's balance sheet lists total liabilities of about \$3.2 million. Of that amount approximately \$1.5 million was commissions and bonuses payable to Representatives. Deferred income of approximately \$682,000 consists of deferred revenue for wireless phone and security alarm products, which are amortized two or three years. Other liability of about \$688,000 consists of miscellaneous accrued expenses.

At December 31, 2012 Alan Clark's balance sheet lists total assets of \$1,053,234. Land and buildings of approximately \$800,000 are the largest fixed assets, which is the warehouse located at 20 Gose Pike, Danville, Kentucky.

Revenue

FHTM sells health and beauty products, and other products and services offered by FHTM and provided by third-party companies. The revenues generated from the sales of FHTM's own products and services are recorded as sales or bundle sales on the books. For the sales of products and services provided by third-party companies, the Receivership Defendants received commissions which were recorded as revenue² on the books of either FHTM or Alan Clark. A majority of the commissions received from third-party companies are first recorded on Alan Clark's books. Alan Clark would retain a certain portion of the profits and then transfer the remaining commission revenue to FHTM, which are recorded as cost of goods sold on Alan Clark's books.

Total revenue from sales and commissions received from January 1, 2009 to December 31, 2012 is summarized below.

	2012	2011	2010	2009	Total
IR & IR Renewal Fees	\$ 6,592,380	\$ 9,326,442	\$ 22,986,408	\$ 27,762,738	\$ 66,667,968
Sales	8,956,077	14,039,522	27,995,183	25,742,634	76,733,416
Bundle Sales	18,373,917	28,594,282	16,181,237	-	63,149,436
Total Sales	\$ 33,922,374	\$ 51,960,246	\$ 67,162,828	\$ 53,505,372	\$ 206,550,820
Commissions	4,615,385	7,287,253	11,428,839	9,529,406	32,860,883
Revenue on FHTM Books	\$ 38,537,759	\$ 59,247,499	\$ 78,591,667	\$ 63,034,778	\$ 239,411,703
Gross Profit on Commissions					
Retained by Alan Clark	1,793,201	2,071,779	5,249,972	3,656,110	12,771,062
Total Revenue	\$ 40,330,960	\$ 61,319,278	\$ 83,841,639	\$ 66,690,888	\$ 252,182,765

Note: "Gross Profit" is a term used by Alan Clark and represents "Commissions Receivable" less "Commissions Paid to FHTM".

Independent Representative Fees

All FHTM enrollees are classified as Independent Representatives ("IR"). According to FHTM's compensation plan, an IR who has paid an enrollment fee is initially classified as a Manager. In most cases an annual renewal fee is required. These fees are recorded as IR Fees and IR Renewal Fees under Sales.

² Although the title of the Alan Clark general ledger account is Commissions Receivable, this is, in fact, revenue and not accounts receivable.

The IR Fee and IR Renewal Fee changed several times between 2009 and 2012, and ranged from \$99 to \$299. During the same period, the IR Fees and IR Renewal Fees were 15.21% to 41.63% of the revenue generated by the Receivership Defendants as listed below.

	2012	2011	2010	2009	Total
Sales: IR Fees	\$ 6,078,004	\$ 8,702,117	\$ 21,843,818	\$ 26,917,463	\$ 63,541,402
Sales: Renewal Fees	514,376	624,325	1,142,590	845,275	3,126,566
	<u>\$ 6,592,380</u>	<u>\$ 9,326,442</u>	<u>\$ 22,986,408</u>	<u>\$ 27,762,738</u>	<u>\$ 66,667,968</u>
Revenue - FHTM	\$38,537,759	\$59,247,499	\$78,591,667	\$63,034,778	\$ 239,411,703
Gross Profit on Commissions Retained by Alan Clark	1,793,201	2,071,779	5,249,972	3,656,110	12,771,062
Total Revenue	<u>\$40,330,960</u>	<u>\$61,319,278</u>	<u>\$83,841,639</u>	<u>\$66,690,888</u>	<u>\$252,182,765</u>
IR & Renewal Fees to Total Revenue	<u>16.35%</u>	<u>15.21%</u>	<u>27.42%</u>	<u>41.63%</u>	<u>26.44%</u>

The Temporary Receiver obtained an electronic file titled "Rep List" from the Receivership Defendants, which was downloaded from the system. The Temporary Receiver segregated the IR data from the United States and Canada. The Temporary Receiver further analyzed the data, including the sign-up date and the renewal date of each IR. FHTM's Policies & Procedures Manual states that each IR is required to renew his or her position annually and if the IR fails to renew he or she becomes inactive. Accordingly, the Temporary Receiver filtered the data by using these criteria to obtain the number of active IRs and new IRs throughout each year from 2009 to 2012 set forth below.

Canada

Year	Number of Active IRs	Number of New Enrollees	Failed to Renew After Initial Year	
2009	22,940	12,787	12,246	95.77%
2010	23,760	10,230	9,918	96.95%
2011	21,018	9,980	9,737	97.57%
2012	18,059	7,550	Not yet subject to renewal	

United States

Year	Number of Active IRs	Number of New Enrollees	Failed to Renew After Initial Year	
2009	125,952	81,358	76,637	94.20%
2010	182,667	97,323	93,611	96.19%
2011	191,072	87,175	85,081	97.60%
2012	141,201	47,667	Not yet subject to renewal	

The data above shows that a substantial number of IRs failed to renew and became inactive after their initial year. More than 94% of the participants did not renew their positions after their initial year for the period of 2009 to 2011.

As shown in the tables above, the number of IRs in Canada averaged 11.8% of all IRs during 2009 to 2012.

The analysis discussed below deals primarily with IRs in the United States. According to the analysis of the commissions paid to the IRs, more than 90% of the IRs earned less than their enrollment or annual fees paid from 2009 to 2012.

Commissions Paid to United States IRs

FHTM's books show that the total commissions and bonuses paid to the IRs, before the reduction of administrative fees, were approximately \$40.1 million in 2009, \$44.1 million in 2010, \$29.7 million in 2011, and \$18.2 million in 2012.

The Temporary Receiver compared and reconciled the commissions paid data to FHTM's books, and certain variances were noted as shown under Tab 3. The Temporary Receiver asked the Chief Analytics Officer about these variances and was told that the commissions paid data was based on the actual commissions paid to the IRs, and the books are recorded on an accrual basis, including the amounts earned but unpaid to the IRs. Therefore, the Temporary Receiver relied on the downloaded data to perform further analysis.

Composition of Commissions Paid

Commission terms used by FHTM include CAB Commissions, Other Commissions, Administrative Fees, and Net Commissions. CAB Commissions are commissions paid for a Customer Acquisition Bonus ("CAB") and represent bonuses paid for recruitment. According to the FHTM Compensation Plan, "the CAB is an up-front, lump-sum payment rewarding an IR for customers gathered by new IRs in the IR's business." Other Commissions include Customer Generated Usage ("CGU") payments, described as "a set amount or set percentage paid to IRs as established by FHTM based on sales of products and services, and described on www.FHTMCentral.com." Administrative Fees are the deductions from bonuses and commissions paid to IRs, including data processing fees and shipping fees. Net Commissions are the net amounts paid to each IR, calculated as the total of CAB Commissions and Other Commissions, less Administrative Fees charged to each IR.

The analysis performed by the Temporary Receiver under Tab 3 shows that a high percentage of the commissions paid were CAB Commissions, which were 90.39%, 86.96%, 81.36% and 62.16% of total commissions paid in 2009, 2010, 2011 and 2012, respectively. These results demonstrate that in 2009, 2010, and 2011, FHTM's compensation plan encouraged and rewarded recruitment far greater than product and service sales. It appears

the significant decline to 62.16% in 2012 was attributable to an increase in CGU payments resulting from an increase of CGU commission rates from 0.25% to 1% at the same time recruiting was dwindling dramatically.

Analysis of Commissions for All Active IRs

The commissions paid data represents the population of IRs who earned \$10.00 or more per year. For the IRs who earned less than \$10.00, the amount was not paid or recorded as a liability.

The analysis shows that an average of 74.4% of the active IRs earned less than \$10.00 per year between 2009 and 2012. Compared to the enrollment and renewal fees, which changed numerous times, ranging from \$99 to \$299 between 2009 and 2012, more than 88% of the IRs did not earn enough to recoup their enrollment fees in the FHTM program. (Tab 4)

The tables below summarize active IRs in the United States and Canada who earned commissions over \$10.00 and under \$10.00.

United States

Year	Number of All Active IRs	Number of IRs Net Commissions over \$10.00		Number of IRs Net Commissions under \$10.00	
		Number	Percentage	Number	Percentage
2009	125,952	43,893	34.85%	82,059	65.15%
2010	182,667	50,395	27.59%	132,272	72.41%
2011	191,072	40,939	21.43%	150,133	78.57%
2012	141,201	28,722	20.34%	112,479	79.66%
Average			25.58%		74.42%

Canada

Year	Number of All Active IRs	Number of IRs Net Commissions over \$10.00		Number of IRs Net Commissions under \$10.00	
		Number	Percentage	Number	Percentage
2009	22,940	8,767	38.22%	14,173	61.78%
2010	23,760	7,381	31.06%	16,379	68.94%
2011	21,018	6,527	31.05%	14,491	68.95%
2012	18,059	4,971	27.53%	13,088	72.47%
Average			32.23%		67.77%

Note: Number of Active IRs is based on the analysis of the "Rep List" data download. However, the number of IRs with Net Commissions is obtained separately from the Commissions Paid download. The number of IRs with net commissions under \$10.00 is based on all active IRs, less the number of IRs with net commissions over \$10.00.

Stratification Analysis of Commissions Paid to IRs

As previously discussed, the commissions paid data only contains commissions over \$10.00 paid to IRs, and the commissions under \$10 were accumulated in the system but remained unpaid and unrecorded in the accounting records until the amounts reached \$10.00.

An electronic file titled "Statement Carryovers Summary" provided by the Chief Analytics Officer shows these unrecorded amounts earned by the IRs total approximately \$2.2 million and are unpaid.

The Temporary Receiver further stratified the data and analyzed the structure of the commissions paid. Under Tab 5(A), the stratification analysis for United States IRs shows a significant concentration of the commissions paid to the top levels and the vast majority earned very little.³ More than 93% of the United States IRs received between \$10.00 and \$1,000 per year in commissions from 2009 to 2012, which represents less than 17% of the total commissions paid.

If the unpaid commissions under \$10.00 are included in the calculation above, 98% of the United States IRs would have received commissions of \$1,000 or less as illustrated below.

Year	Number of IRs				% of Total Active IRs
	Active	Net Commissions under \$10.00	Net Commissions over \$10.00 but under \$1,000	Net Commissions under \$1,000	
2009	125,952	82,059	41,374	123,433	98.00%
2010	182,667	132,272	47,260	179,532	98.28%
2011	191,072	150,133	38,852	188,985	98.91%
2012	141,201	112,479	26,982	139,461	98.77%

As shown in Tab 5(A), of the IRs who received greater than \$10.00, only approximately 1% or an average of 408 of the IRs received more than \$10,000 per year in net commissions from 2009 to 2012, which represents more than 62% of the total commissions paid. Additionally, less than 0.1%, or an average of 39 of these IRs, received more than \$100,000 in net commissions per year during the same period.

If the unpaid commissions under \$10.00 were included in the calculation above, 0.17% to 0.36% of the IRs would have received commissions of \$10,000 or more per year and 0.02% to 0.04% of the IRs would have received more than \$100,000 per year as illustrated below.

³ In addition to the stratification analysis for United States IRs, Tab 5(B) includes a stratification analysis for Canadian IRs.

Year	Active	Number of IRs			
		Net Commissions over \$10,000		Net Commissions over \$100,000	
			%		%
2009	125,952	452	0.36%	46	0.04%
2010	182,667	522	0.29%	47	0.03%
2011	191,072	411	0.22%	37	0.02%
2012	141,201	246	0.17%	26	0.02%
Average	160,223	408	0.25%	39	0.02%

Dividends Declared & Payroll Paid to Shareholders

According to the books and records, total retained earnings were approximately \$31.2 million for FHTM and \$12.4 million for Alan Clark as of December 31, 2012.

The books and records of FHTM and Alan Clark show payments from retained earnings in the form of dividends to the shareholders. FHTM and Alan Clark paid a total of \$29.9 million and \$11.4 million, respectively, to their shareholders from inception through January 2013, which represent approximately 95.9% and 92.3% of their total retained earnings, respectively. Out of \$29.9 million, \$15.95 million was paid by FHTM after January 1, 2009. Out of \$11.4 million, \$8.94 million was paid by Alan Clark after January 1, 2009.

In addition to the dividends paid, some of shareholders also received a significant amount of salary compensation. In particular, Thomas Mills received \$2.85 million from 2007 to 2012, of which \$1.97 million was received after January 1, 2009. Paul Orberon received \$2.53 million from 2007 to 2012, of which \$1.7 million was received after January 1, 2009.

The dividends and salary compensation paid prior to January 1, 2009 and thereafter are listed below. Under Tab 6 is the detailed summary of the dividends and salary compensation paid by year.

	Before 1/1/2009			After 1/1/2009			Total
	FHTM Dividends	Alan Clark Dividends	FHTM Payroll	FHTM Dividends	Alan Clark Dividends	FHTM Payroll	
Paul Orberon	\$ 7,222,597	\$ 753,000	\$ 831,427	\$ 8,054,750	\$ 2,680,500	\$ 1,697,927	\$ 21,240,201
Thomas Mills	6,076,595	502,000	875,699	6,938,250	1,787,000	1,970,442	18,149,986
Shareholder#3	111,665	251,000	279,847	159,500	893,500	\$ 1,553,359	3,248,871
Shareholder#4	558,323			797,500			1,355,823
Shareholder#5		251,000			893,500		1,144,500
Shareholder#6		251,000	7,818		893,500	202,278	1,354,596
Shareholder#7		251,000			893,500	46,523	1,191,023
Shareholder#8		251,000			893,500	4,211	1,148,711
Total	\$ 13,969,180	\$ 2,510,000	\$ 1,994,791	\$ 15,950,000	\$ 8,935,000	\$ 5,474,740	\$ 48,833,710

Note: The Temporary Receiver redacted the names of other shareholders, many of whom appear to be family members of either Mr. Orberon or Mr. Mills.

Consumer Complaints

The Temporary Receiver conducted a detailed interview with the Director of Compliance. The Director of Compliance worked at FHTM for nine years and has served in that capacity since April, 2010. He supervised a staff of two, one of which quit one week prior to the entry of the Temporary Restraining Order. Among his duties are to respond to all Attorney General and Better Business Bureau complaints. The majority of his time is spent dealing with IR complaints and compliance with company policies. He described some of the typical issues involving the IRs as follows:

- IRs call to complain about an unexpected charge on their credit card
- IR makes a lifestyle or income claim to a prospective member
- Unauthorized use of logos, trademarks, or other intellectual property
- IR claims he did not sign up as a representative or didn't know about the recurring monthly charges

IRs who had a complaint lodged against them would receive a compliance letter referred to as a "10 Day Letter." IRs who failed to respond within the 10-day period faced possible termination.

When asked if he was aware of any cases where an IR was terminated for making an income or lifestyle claim, he stated that he was certain that some had been warned, but was not aware of any IR being terminated for making an income or lifestyle claim.

The Temporary Receiver reviewed 269 compliance files which contained 10 Day Letters that were sent to IRs starting in May 2010 through December 2012. The Temporary Receiver

noted the type of policy violation outlined in the warning letter for 36 of the most recent compliance files. IR violations included claims of credit card fraud, bonus buying, use of a robo-dialer, defamation of the company, misuse of FHTM's intellectual property and income claims. The most prevalent violation that resulted in a disciplinary action against an IR by the company was for cross recruiting. Cross recruiting resulted when an IR decided to leave FHTM and attempted to persuade their downline IRs to follow them to the new company. Of the 36 compliance files, approximately 21 (58%) included allegations of cross recruiting.

The Temporary Receiver reviewed numerous consumer complaints that were found in filing cabinets in the Compliance Department, on fax machines, and in the incoming mail. Most consumer complaints filed prior to January 2011 had been sent to the warehouse in Danville for storage. The Temporary Receiver located 595 consumer complaints which were sent to the Receivership Defendants from January 2011 through January 2013. The majority of the complaints also included refund requests.

The complaints under Tab 7⁴ state in part the following:

Complaint 1—January 29, 2013

“I do not wish to join your organization at all and I believe I was misled completely.”

Complaint 2—January 24, 2013

“I used all the money I had in my account to sign up because I believed that this program would truly work for me. ... I was so angry with Mike...because never once did he tell me that I would have to make any purchases from the company!!! I couldn't afford to have any revolving accounts!! I couldn't even pay my bills as is! He completely misrepresented how the program worked!”

Complaint 3—April 27, 2012

“You entice people to pay a fee to sign up, pay an exorbitant fee to purchase products to sell, but strongly emphasize the need to recruit more ‘members’ to make money.”

Complaint 4—May 24, 2012

“The reason I am writing this letter to you all today is because we are very **UNHAPPY** with you all at this time. My husband and I got into the business to try to make some extra money, but we haven't made any yet.”

⁴ The Temporary Receiver redacted consumer information contained in the complaints.

Complaint 5—May 3, 2011

“I was under the impression that it was about selling the product, but yet I keep getting told to bring people to sign up. ...every time that I tried to sell product my uplink (Ronnie xxxx) would tell me not to worry about the product we need people is what he would tell me. He would tell me that is where the money is at.”

Complaint 6—May 16, 2011

“When we were introduced to this program we were led to understand that our enrollment fee is a onetime fee and that we were not going to be required to buy product every month to meet qualifications. ... The second reason being that we were led to believe that the products we ordered were [sic] come in cases for retail sale, not (as in our case) four bottles of product at \$25.00 per bottle. In this area and in our income bracket no one would buy that high of product from us and we surely cannot afford that expensive of shampoo and cream rinse on our fixed income.”

Complaint 7—January 10, 2011

“At that time, Thomas persuaded me to purchase a ‘bundle.’ I wrote my debit card number down on the back of a piece of paper he had been using during the session, and my address. I was told this would be a onetime only charge, and when I needed to buy more, to go online and order it. ... Mr. Mills took my info on the back of that paper, and never even indicated to me what type of ‘bundle’ I would be receiving. I foolishly took his word on good faith, because he is involved with other people I know.”

Complaint 8—November 26, 2010

“The DVD presentations of some of your “Stars” Todd Roland and others made the program look very attractive and that so many people were getting very wealthy using Fortune’s method of marketing. ... It did not take very long to realize that Fortune was a big ‘hype’ and that very few reps were making any money and most were not even getting back their investment.”

It should be noted that some of the IRs whose complaints are set out above received refunds.

The issues raised in the remaining complaints covered a wide array of issues. One of the most common complaints was that the IR’s sponsor did not disclose that the IR was required to buy product on a monthly basis to qualify for bonuses or that the IR’s sponsor signed the IR up for a monthly recurring fee for products without the IR’s knowledge or consent.

On February 6, 2013, the Temporary Receiver reviewed the website for the BBB in Lexington, Kentucky for Fortune Hi-Tech Marketing. The Receivership Defendant had an "F" rating from the BBB as a result of 78 consumer complaints that had been filed and government actions against the business.

Bank Accounts

The Temporary Receiver served the Temporary Restraining Order on all known financial institutions and merchant processors that were used by the receivership defendants. Currently, the funds frozen in the receivership defendants' accounts total approximately \$873,000. In addition, approximately \$840,000 is held in merchant processing accounts that could be subject to future chargebacks. The Temporary Receiver is continuing to confirm the balances of bank accounts and merchant accounts of the receivership defendants, and working with other financial institutions and merchant processors concerning the turnover of funds.

Stipulation Regarding *Ex Parte* Temporary Restraining Order dated February 7, 2013

Pursuant to Paragraph 3. (d), on February 8, 2013 the Temporary Receiver caused a broadcast email to be sent to approximately 45,000 IRs providing them a link to the Temporary Restraining Order.

Respectfully submitted,

/s/

Robb Evans and Robb Evans & Associates LLC
Temporary Receiver

TAB 1

**Robb Evans & Robb Evans & Associates LLC
Temporary Receiver of
Fortune Hi-Tech Marketing, Inc., et al.**

Notice to Representatives and Consumers

January 28, 2013

On January 24, 2013 the Federal Trade Commission, the State of Illinois, the Commonwealth of Kentucky, and the State of North Carolina filed a lawsuit against Fortune Hi-Tech Marketing, Inc. and its affiliated companies. The Court imposed an asset freeze over the companies' assets and appointed a Temporary Receiver.

The Temporary Receiver has suspended all U.S. and Canadian business operations, including collections and shipments that have not been paid for. The Temporary Receiver will continue its evaluation of company operations.

The District Court has scheduled a hearing on Thursday, February 7, 2013 to decide if a Preliminary Injunction should be issued.

TAB 2

Fortune Hi-Tech Marketing, Inc
Balance Sheet
As at December 31, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
ASSETS				
Current Assets				
Cash on Hand				
Operating Account	(7,247)	690,226	963,672	2,699,438
Commissions Account	-	(558,301)	(872,629)	(784,248)
Escrow	-	300,142	28,425	25,500
Other	(77,342)	991,412	4,037,269	100
	<u>(84,589)</u>	<u>1,423,479</u>	<u>4,156,736</u>	<u>1,940,790</u>
Account Receivable				
Trade Debtors	-	85,273	448,190	929,802
Allowance for Doubtful Debts	(1,352,218)	(1,352,218)	(1,352,218)	(1,276,617)
	<u>(1,352,218)</u>	<u>(1,266,944)</u>	<u>(904,027)</u>	<u>(346,815)</u>
Employee Advances	-	-	-	-
Other Accounts Receivable	800,906	602,694	420,853	938,599
	<u>(551,311)</u>	<u>(664,250)</u>	<u>(483,175)</u>	<u>591,785</u>
Intercompany Balances				
FHTM Canada	1,047,983	624,582	460,878	135,723
Fortune Hi Tech Marketing	-	-	-	-
Fortune Network Marketing (UK) Limited	1,461,398	1,434,164	1,352,218	1,276,617
	<u>2,509,381</u>	<u>2,058,746</u>	<u>1,813,095</u>	<u>1,412,339</u>
Other Current Assets				
Inventory	2,080,033	2,865,899	2,064,141	973,859
Prepaid Rent	-	-	-	-
Other Prepayments	229,774	26,903	820,358	143,318
Taxes Receivable	(31,911)	(31,911)	(31,911)	-
Other Current Assets	-	-	-	50,000
	<u>2,277,896</u>	<u>2,860,891</u>	<u>2,852,587</u>	<u>1,167,177</u>
Total Current Assets	<u>4,151,377</u>	<u>5,678,866</u>	<u>8,339,244</u>	<u>5,112,091</u>

Fortune Hi-Tech Marketing, Inc
Balance Sheet
As at December 31, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Fixed Assets				
Furniture and Fixtures - Cost	104,271	95,265	95,265	38,063
Furniture and Fixtures - Accumulated Depreciation	(91,342)	(87,419)	(50,850)	(31,306)
	<u>12,929</u>	<u>7,846</u>	<u>44,416</u>	<u>6,758</u>
Leasehold Improvements - Cost	-	-	-	-
Leasehold Improvements - Accumulated Depreciation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Office Equipment - Cost	268,912	268,912	268,912	175,746
Office Equipment - Accumulated Depreciation	(257,838)	(246,765)	(128,632)	(85,206)
	<u>11,074</u>	<u>22,147</u>	<u>140,280</u>	<u>90,540</u>
Warehouse Equipment - Cost	-	-	-	-
Warehouse Equipment - Accumulated Depreciation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Computers and Equipment - Cost	3,019,389	2,686,681	413,819	309,980
Computers and Equipment - Accumulated Depreciation	(2,669,641)	(2,652,600)	(327,840)	(219,646)
	<u>349,749</u>	<u>34,081</u>	<u>85,979</u>	<u>90,334</u>
Vehicles - Cost	-	-	-	-
Vehicles - Accumulated Depreciation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Land and Buildings - Cost	-	-	-	-
Land and Buildings - Accumulated Depreciation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fixed Assets	<u>373,751</u>	<u>64,074</u>	<u>270,675</u>	<u>187,631</u>

Fortune Hi-Tech Marketing, Inc
Balance Sheet
As at December 31, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Other Assets				
Deposits	-	-	-	-
Investment in Subsidiaries	-	-	-	-
Deferred Charges	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>4,525,128</u>	<u>5,742,941</u>	<u>8,609,919</u>	<u>5,299,723</u>
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Trade Creditors	184,738	362,489	902,886	220,568
Representative Commissions and Bonuses	1,514,453	2,377,487	2,349,870	2,279,253
Payroll Liabilities and Tax	131,093	165,152	209,600	148,387
Sales Tax	40,450	157,477	120,601	26,145
Accrued Expenses	-	-	185,417	-
Deferred Income	681,571	1,187,810	1,739,383	1,355,210
Other Current Liabilities	687,949	741,397	269,459	97,328
Total Current Liabilities	<u>3,240,254</u>	<u>4,991,812</u>	<u>5,777,215</u>	<u>4,126,892</u>
Non-Current Liabilities				
Loans and Capital Leases Payable	-	-	-	-
Minority Interest	-	-	-	-
Other Non-Current Liabilities	-	-	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,240,254</u>	<u>4,991,812</u>	<u>5,777,215</u>	<u>4,126,892</u>

Fortune Hi-Tech Marketing, Inc
Balance Sheet
As at December 31, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Equity				
Stock	-	-	-	-
Retained Earnings	31,204,054	29,870,309	29,851,884	20,592,010
Dividends Declared	(29,919,180)	(29,119,180)	(27,019,180)	(19,419,180)
Reserves	-	-	-	-
Translation Adjustments	-	-	-	-
Prior Period Adjustments	-	-	-	-
Total Equity	<u>1,284,874</u>	<u>751,129</u>	<u>2,832,704</u>	<u>1,172,830</u>
TOTAL LIABILITIES AND EQUITY	<u>4,525,128</u>	<u>5,742,941</u>	<u>8,609,919</u>	<u>5,299,723</u>

Alan Clark Holdings LLC
Balance Sheet
As of December 31, 2012

ASSETS	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Current Assets				
Cash on Hand				
Operating Account	94,560	221,236	483,666	545,422
Commissions Account	-	-	-	-
Escrow	-	-	-	-
Other	500	127,267	101,614	100,579
Total Cash on Hand	95,060	348,503	585,280	646,001
Account Receivable				
Trade Debtors	25,551	63,844	233,324	426,349
Allowance for Doubtful Debts	-	-	-	-
Employee Advances	-	-	-	-
Other Accounts Receivable	82,593	2,000	61,635	82,500
Total Account Receivable	108,144	65,844	294,959	508,849
Intercompany Balances				
FHTM Canada	-	-	-	-
Fortune Network Marketing (UK) Limited	-	-	-	-
Total Intercompany Balances	-	-	-	-
Other Current Assets				
Inventory	-	-	-	-
Prepaid Rent	-	-	-	-
Other Prepayments	-	-	1,000	1,766
Taxes Receivable	-	-	-	-
Other Current Assets	-	-	-	-
Total Other Current Assets	-	-	1,000	1,766
Total Current Assets	203,205	414,347	881,239	1,156,616
Fixed Assets				
Furniture and Fixtures - Cost	4,271	1,456	1,456	-
Furniture and Fixtures - Accumulated Depreciation	(1,230)	(485)	(194)	-
Leasehold Improvements - Cost	-	-	-	-
Leasehold Improvements - Accumulated Depreciation	-	-	-	-
Office Equipment - Cost	27,798	26,186	24,941	2,632
Office Equipment - Accumulated Depreciation	(14,234)	(8,383)	(3,326)	-
Warehouse Equipment - Cost	12,469	8,219	-	-
Warehouse Equipment - Accumulated Depreciation	(1,879)	(98)	-	-
Computers and Equipment - Cost	-	-	-	-

Alan Clark Holdings LLC
Balance Sheet
As of December 31, 2012

	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Computers and Equipment - Accumulated Depreciation	-	-	-	-
Vehicles - Cost	17,500	17,500	17,500	17,500
Vehicles - Accumulated Depreciation	-	-	-	-
Land and Buildings - Cost	855,817	854,438	671,380	370,916
Land and Buildings - Accumulated Depreciation	(50,483)	(29,752)	(9,617)	-
Total Fixed Assets - Net of Depreciation	850,029	869,071	702,140	391,048
Other Assets				
Other Assets	-	-	-	-
Total Assets	-	-	-	-
TOTAL ASSETS	1,053,234	1,283,419	1,583,379	1,547,664
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Trade Creditors	-	85,273	618,711	896,302
Representative Commissions and Bonuses	-	-	-	-
Accrued Expenses	-	24,650	(679)	3,872
Deferred Income	-	-	-	-
Other Current Liabilities	84,464	76,618	22,675	35,673
Total Current Liabilities	92,392	186,540	640,707	935,847
Non-Current Liabilities				
Loans and Capital Leases Payable	-	-	-	-
Minority Interest	-	-	-	-
Other Non-Current Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
Total Liabilities	92,392	186,540	640,707	935,847
Equity				
Stock	-	-	-	-
Retained Earnings	11,659,878	9,972,672	6,321,817	2,719,019
Net Income/(Loss) for Current Year	745,963	1,687,206	3,650,855	3,602,798
Dividends Declared	(11,445,000)	(10,563,000)	(9,030,000)	(5,710,000)
Prior Period Adjustments	-	-	-	-
Total Equity	960,842	1,096,878	942,672	611,817
TOTAL LIABILITIES AND EQUITY	1,053,234	1,283,419	1,583,379	1,547,664

TAB 3

**ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC**
Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
Commissions Paid to Independent Representatives by Year - USA

Reconciliation between Downloaded Data and General Ledger

Year	Per Commissions Data Download			Per GL (Gross)	Difference	
	Number of IRs	CAB Commissions	Other Commissions		Amount	%
2009	43,893	\$ 36,303,305.92	\$ 3,860,147.05	\$ 40,160,552.15	\$ 2,900.82	0.01%
2010	50,395	\$ 38,801,339.32	\$ 5,816,663.15	\$ 44,074,953.48	\$ 543,048.99	1.22%
2011	40,939	\$ 24,544,460.68	\$ 5,617,026.92	\$ 29,699,470.97	\$ 462,016.63	1.53%
2012	28,722	\$ 12,023,685.20	\$ 7,319,869.67	\$ 18,164,289.56	\$ 1,179,265.31	6.10%

Analysis of Composition of Commissions Paid

Year	Number of IRs	Net Commissions	CAB Commissions		Other Commissions		Admin.
2009	43,893	\$ 39,387,925.93	\$ 36,303,305.92	90.39%	\$ 3,860,147.05	9.61%	\$ 775,527.00
2010	50,395	\$ 43,815,011.88	\$ 38,801,339.32	86.96%	\$ 5,816,663.15	13.04%	\$ 802,990.50
2011	40,939	\$ 29,532,959.58	\$ 24,544,460.68	81.38%	\$ 5,617,026.92	18.62%	\$ 628,528.00
2012	28,722	\$ 18,782,781.86	\$ 12,023,685.20	62.16%	\$ 7,319,869.67	37.84%	\$ 560,773.00
Average	40,987	\$ 32,879,669.81	\$ 27,918,197.78	83.16%	\$ 5,653,426.70	16.84%	\$ 691,954.63

TAB 4

**ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC**
Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
Commissions Paid to Independent Representatives by Year - USA

Analysis of Commissions Paid Which Were Less Than Enrollment and Renewal Fees

Year	Number of All Active IRs	Number of IRs with Net Commissions under \$299		Number of IRs with Net Commissions under \$249		Number of IRs with Net Commissions under \$99	
2009	125,952	118,870	94.38%	115,620	91.80%		
2010	182,667	174,947	95.77%	171,990	94.15%	162,548	88.99%
2011	191,072	186,435	97.57%	185,906	97.30%	181,537	95.01%
2012	141,201	136,622	96.76%	136,230	96.48%	133,190	94.33%
Average			96.25%		95.14%		91.05%

TAB 5

TAB 5(A)

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
Stratification Analysis of Commissions Paid by Year - USA

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10.00 - \$999.99	41,374	94.26%	6,544,833.13	16.62%	47,260	93.78%	6,490,188.42	14.81%
\$1,000.00 - \$1,999.99	1,003	2.28%	1,405,160.42	3.57%	1,305	2.59%	1,817,245.25	4.15%
\$2,000.00 - \$2,999.99	414	0.94%	1,017,845.59	2.58%	451	0.89%	1,098,643.97	2.51%
\$3,000.00 - \$3,999.99	223	0.51%	768,855.94	1.95%	270	0.54%	942,261.53	2.15%
\$4,000.00 - \$4,999.99	119	0.27%	539,673.99	1.37%	183	0.36%	820,459.53	1.87%
\$5,000.00 - \$5,999.99	87	0.20%	479,321.61	1.22%	123	0.24%	678,111.95	1.55%
\$6,000.00 - \$6,999.99	79	0.18%	512,354.01	1.30%	101	0.20%	653,452.98	1.49%
\$7,000.00 - \$7,999.99	52	0.12%	391,399.59	0.99%	68	0.13%	508,447.60	1.16%
\$8,000.00 - \$8,999.99	48	0.11%	406,531.88	1.03%	58	0.12%	491,294.97	1.12%
\$9,000.00 - \$10,000.00	42	0.10%	400,146.11	1.02%	54	0.11%	512,947.35	1.17%
>\$10,000.00	452	1.03%	26,921,803.66	68.35%	522	1.04%	29,801,958.33	68.02%
Totals	43,893	100.00%	\$ 39,387,925.93	100.00%	50,395	100.00%	\$ 43,815,011.88	100.00%

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10.00 - \$99.99	24,311	58.76%	\$ 1,687,701.48	25.79%	30,350	64.22%	\$ 1,678,045.65	25.85%
\$100.00 - \$199.99	7,981	19.29%	\$ 1,335,088.33	20.40%	7,999	16.92%	\$ 1,287,050.20	19.83%
\$200.00 - \$299.99	4,557	11.01%	\$ 1,213,771.17	18.55%	4,372	9.25%	\$ 1,153,986.14	17.78%
\$300.00 - \$399.99	1,791	4.33%	\$ 621,952.49	9.50%	1,664	3.52%	\$ 574,225.06	8.85%
\$400.00 - \$499.99	886	2.14%	\$ 398,870.44	6.10%	939	1.99%	\$ 424,905.51	6.55%
\$500.00 - \$599.99	598	1.45%	\$ 327,493.17	5.00%	574	1.21%	\$ 316,872.82	4.88%
\$600.00 - \$699.99	456	1.10%	\$ 295,423.40	4.51%	439	0.93%	\$ 286,235.16	4.41%
\$700.00 - \$799.99	337	0.82%	\$ 254,231.57	3.88%	400	0.85%	\$ 301,366.13	4.64%
\$800.00 - \$899.99	224	0.54%	\$ 190,305.55	2.91%	291	0.62%	\$ 247,097.94	3.81%
\$900.00 - \$999.99	233	0.56%	\$ 219,995.53	3.36%	232	0.49%	\$ 220,403.81	3.40%
Totals	41,374	100.00%	\$ 6,544,833.13	100.00%	47,260	100.00%	\$ 6,490,188.42	100.00%

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10,001.00 - \$19,999.99	223	49.34%	\$ 3,083,766.77	11.45%	243	46.56%	\$ 3,347,192.25	11.23%
\$20,000.00 - \$29,999.99	63	13.94%	\$ 1,552,243.44	5.77%	84	16.09%	\$ 2,104,167.63	7.06%
\$30,000.00 - \$39,999.99	45	9.95%	\$ 1,609,559.72	5.98%	46	8.81%	\$ 1,560,007.34	5.24%
\$40,000.00 - \$50,000.00	26	5.75%	\$ 1,159,716.01	4.31%	21	4.02%	\$ 916,354.31	3.07%
>\$50,000.00	95	21.02%	\$ 19,516,517.72	72.49%	128	24.52%	\$ 21,874,236.80	73.40%
Totals	452	100.00%	\$ 26,921,803.66	100.00%	522	100.00%	\$ 29,801,958.33	100.00%

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
Stratification Analysis of Commissions Paid by Year - USA

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$50,001.00 - \$99,999.99	49	51.58%	\$ 3,388,910.62	17.36%	81	63.28%	\$ 5,735,045.33	26.22%
\$100,000.00 - \$149,999.99	12	12.63%	\$ 1,458,121.72	7.47%	18	14.06%	\$ 2,172,635.29	9.93%
\$150,000.00 - \$199,999.99	9	9.47%	\$ 1,540,051.59	7.89%	3	2.34%	\$ 514,207.59	2.35%
\$200,000.00 - \$249,999.99	4	4.21%	\$ 889,567.91	4.56%	8	6.25%	\$ 1,877,796.39	8.59%
\$250,000.00 - \$299,999.99	7	7.37%	\$ 1,992,725.57	10.21%	4	3.13%	\$ 1,067,535.58	4.88%
\$300,000.00 - \$349,999.99	1	1.05%	\$ 309,577.55	1.59%	3	2.34%	\$ 944,938.08	4.32%
\$350,000.00 - \$399,999.99	2	2.11%	\$ 744,487.51	3.82%	4	3.13%	\$ 1,508,057.03	6.89%
\$400,000.00 - \$449,999.99	4	4.21%	\$ 1,652,944.14	8.47%	-	-	-	-
\$450,000.00 - \$500,000.00	2	2.11%	\$ 956,479.28	4.90%	1	0.78%	\$ 453,666.32	2.07%
>\$500,000.00	5	5.26%	\$ 6,583,651.83	33.73%	6	4.69%	\$ 7,600,355.19	34.75%
Totals	95	100.00%	\$ 19,516,517.72	100.00%	128	100.00%	\$ 21,874,236.80	100.00%

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
Stratification Analysis of Commissions Paid by Year - USA

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10.00 - \$999.99	38,852	94.90%	3,151,024.21	10.67%	26,982	93.94%	2,924,399.92	15.57%
\$1,000.00 - \$1,999.99	697	1.70%	974,081.77	3.30%	801	2.79%	1,078,801.71	5.74%
\$2,000.00 - \$2,999.99	296	0.72%	732,859.52	2.48%	242	0.84%	595,043.37	3.17%
\$3,000.00 - \$3,999.99	202	0.49%	695,777.61	2.36%	161	0.56%	559,633.62	2.98%
\$4,000.00 - \$4,999.99	142	0.35%	628,642.07	2.13%	91	0.32%	406,222.07	2.16%
\$5,000.00 - \$5,999.99	113	0.28%	620,681.23	2.10%	60	0.21%	325,404.85	1.73%
\$6,000.00 - \$6,999.99	73	0.18%	475,749.16	1.61%	40	0.14%	260,239.67	1.39%
\$7,000.00 - \$7,999.99	64	0.16%	477,103.91	1.62%	41	0.14%	307,129.54	1.63%
\$8,000.00 - \$8,999.99	45	0.11%	382,296.67	1.29%	33	0.11%	281,344.76	1.50%
\$9,000.00 - \$10,000.00	44	0.11%	418,953.66	1.42%	25	0.09%	234,622.68	1.25%
>\$10,000.00	411	1.00%	20,975,789.77	71.02%	246	0.86%	11,809,939.67	62.88%
Totals	40,939	100.00%	\$ 29,532,959.58	100.00%	28,722	100.00%	\$ 18,782,781.86	100.00%

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10.00 - \$99.99	31,584	81.29%	\$ 974,157.27	30.92%	20,766	76.96%	\$ 629,215.13	21.52%
\$100.00 - \$199.99	3,432	8.83%	\$ 478,267.30	15.18%	2,456	9.10%	\$ 348,841.33	11.93%
\$200.00 - \$299.99	1,308	3.37%	\$ 320,315.10	10.17%	929	3.45%	\$ 228,265.66	7.80%
\$300.00 - \$399.99	772	1.99%	\$ 265,555.43	8.43%	547	2.03%	\$ 188,402.38	6.44%
\$400.00 - \$499.99	499	1.28%	\$ 223,775.99	7.10%	445	1.65%	\$ 203,795.78	6.97%
\$500.00 - \$599.99	364	0.94%	\$ 199,608.30	6.33%	467	1.73%	\$ 252,989.30	8.65%
\$600.00 - \$699.99	292	0.75%	\$ 188,601.66	5.98%	277	1.03%	\$ 179,378.96	6.13%
\$700.00 - \$799.99	239	0.62%	\$ 178,822.01	5.67%	586	2.17%	\$ 444,096.43	15.19%
\$800.00 - \$899.99	207	0.53%	\$ 175,134.78	5.56%	314	1.16%	\$ 264,661.36	9.05%
\$900.00 - \$999.99	155	0.40%	\$ 146,786.37	4.66%	195	0.72%	\$ 184,753.59	6.32%
Totals	38,852	100.00%	\$ 3,151,024.21	100.00%	26,982	100.00%	\$ 2,924,399.92	100.00%

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10,001.00 - \$19,999.99	208	50.61%	\$ 2,906,646.57	13.86%	122	49.59%	\$ 1,752,444.49	14.84%
\$20,000.00 - \$29,999.99	60	14.60%	\$ 1,475,579.78	7.04%	42	17.07%	\$ 1,051,223.89	8.90%
\$30,000.00 - \$39,999.99	38	9.25%	\$ 1,329,639.81	6.34%	21	8.54%	\$ 740,824.65	6.27%
\$40,000.00 - \$50,000.00	22	5.35%	\$ 978,391.87	4.66%	9	3.66%	\$ 410,768.40	3.48%
>\$50,000.00	83	20.19%	\$ 14,285,531.74	68.10%	52	21.14%	\$ 7,854,678.24	66.51%
Totals	411	100.00%	\$ 20,975,789.77	100.00%	246	100.00%	\$ 11,809,939.67	100.00%

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
Stratification Analysis of Commissions Paid by Year - USA

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$50,001.00 - \$99,999.99	46	55.42%	\$ 3,175,778.53	22.23%	26	50.00%	\$ 1,703,349.86	21.69%
\$100,000.00 - \$149,999.99	12	14.46%	\$ 1,446,195.62	10.12%	7	13.46%	\$ 861,581.35	10.97%
\$150,000.00 - \$199,999.99	9	10.84%	\$ 1,611,905.66	11.29%	9	17.31%	\$ 1,487,275.92	18.93%
\$200,000.00 - \$249,999.99	5	6.02%	\$ 1,150,196.97	8.05%	5	9.62%	\$ 1,105,791.62	14.08%
\$250,000.00 - \$299,999.99	3	3.61%	\$ 795,849.01	5.57%	1	1.92%	\$ 266,073.08	3.39%
\$300,000.00 - \$349,999.99	1	1.21%	\$ 315,211.17	2.21%	1	1.92%	\$ 320,754.40	4.08%
\$350,000.00 - \$399,999.99	-	0.00%	-	-	1	1.92%	\$ 378,670.14	4.82%
\$400,000.00 - \$449,999.99	2	2.41%	\$ 818,310.91	5.73%	-	-	-	-
\$450,000.00 - \$500,000.00	1	1.21%	\$ 471,834.68	3.30%	-	-	-	-
>\$500,000.00	4	4.82%	\$ 4,500,249.19	31.50%	2	3.85%	\$ 1,731,181.87	22.04%
Totals	83	100.00%	\$ 14,285,531.74	100.00%	52	100.00%	\$ 7,854,678.24	100.00%

TAB 5(B)

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
 Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
 Stratification Analysis of Net Commissions Paid to Representatives by Year - Canada

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10 - \$999.99	8,316	94.86%	20.64%	1,312,737.28	6,993	94.74%	21.48%	1,018,805.13
\$1,000.00 - \$1,999.99	191	2.18%	4.13%	262,515.59	174	2.36%	5.11%	242,139.16
\$2,000.00 - \$2,999.99	66	0.75%	2.53%	160,784.86	56	0.76%	2.82%	133,834.12
\$3,000.00 - \$3,999.99	30	0.34%	1.67%	106,122.47	34	0.46%	2.39%	113,471.20
\$4,000.00 - \$4,999.99	25	0.29%	1.74%	110,852.89	16	0.22%	1.55%	73,200.81
\$5,000.00 - \$5,999.99	20	0.23%	1.72%	109,403.52	11	0.15%	1.28%	60,748.36
\$6,000.00 - \$6,999.99	10	0.11%	1%	63,745.14	11	0.15%	1.48%	70,188.79
\$7,000.00 - \$7,999.99	9	0.10%	1.06%	67,554.08	5	0.07%	0.78%	37,106.64
\$8,000.00 - \$8,999.99	8	0.09%	1.06%	67,193.56	7	0.09%	1.24%	58,752.88
\$9,000.00 - \$10,000.00	9	0.10%	1.34%	85,309.14	6	0.08%	1.20%	57,096.41
>\$10,000.00	83	0.95%	63.11%	4,014,008.72	68	0.92%	60.67%	2,877,572.82
Totals	8,767	100.00%	100.00%	6,360,227.25	7,381	100.00%	100.00%	4,742,916.32

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$0.00 - \$99.99	4,782	57.50%	27.51%	361,125.04	4,275	61.13%	26.14%	266,330.55
\$100.00 - \$199.99	1,752	21.07%	20.77%	272,618.35	1,338	19.13%	20.63%	210,200.47
\$200.00 - \$299.99	843	10.14%	16.71%	219,308.24	629	9.00%	15.79%	160,858.44
\$300.00 - \$399.99	406	4.88%	10.71%	140,561.74	317	4.53%	10.67%	108,703.47
\$400.00 - \$499.99	211	2.54%	7.13%	93,626.06	135	1.93%	5.92%	60,274.07
\$500.00 - \$599.99	103	1.24%	4.29%	56,330.88	98	1.40%	5.34%	54,353.99
\$600.00 - \$699.99	69	0.83%	3.35%	44,016.84	59	0.84%	3.73%	38,003.18
\$700.00 - \$799.99	65	0.78%	3.69%	48,439.81	47	0.67%	3.44%	35,078.81
\$800.00 - \$899.99	39	0.47%	2.52%	33,119.58	52	0.75%	4.35%	44,326.39
\$900.00 - \$1,000.00	46	0.55%	3.32%	43,590.74	43	0.62%	3.99%	40,675.76
Totals	8,316	100.00%	100.00%	1,312,737.28	6,993	100.00%	100.00%	1,018,805.13

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10,001.00 - \$19,999.99	35	42.17%	11.82%	474,519.24	32	47.06%	15.78%	454,013.32
20,000.00 - 29,999.99	16	19.28%	9.33%	374,344.23	10	14.71%	8.38%	241,304.24
30,000.00 - 39,999.99	5	6.02%	4.45%	178,696.38	4	5.88%	5.01%	144,094.27
40,000.00 - 50,000.00	4	4.82%	4.55%	182,791.02	9	13.23%	13.59%	391,007.89
>\$50,000.00	23	27.71%	69.85%	2,803,657.85	13	19.12%	57.24%	1,647,153.10
Totals	83	100.00%	100.00%	4,014,008.72	68	100.00%	100.00%	2,877,572.82

Net Commissions Paid	2009				2010			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$50,001.00 - \$99,999.99	12	52.17%	30.68%	860,058.71	6	46.15%	24.85%	409,325.15
\$100,000.00 - \$149,999.99	6	26.09%	27.19%	762,286.67	3	23.08%	24.10%	396,976.41
\$150,000.00 - \$199,999.99	2	8.70%	13.50%	378,456.97	2	15.39%	19.59%	322,728.85
\$200,000.00 - \$249,999.99	2	8.70%	16.79%	470,828.71	1	7.69%	14.95%	246,231.54
\$250,000.00 - \$299,999.99	-	-	-	-	1	7.69%	16.51%	271,891.15
\$300,000.00 - \$349,999.99	1	4.34%	11.84%	332,026.79	-	-	-	-
\$350,000.00 - \$399,999.99	-	-	-	-	-	-	-	-
\$400,000.00 - \$449,999.99	-	-	-	-	-	-	-	-
\$450,000.00 - \$500,000.00	-	-	-	-	-	-	-	-
Totals	23	100.00%	100.00%	2,803,657.85	13	100.00%	100.00%	1,647,153.10

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
 Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al.
 Stratification Analysis of Net Commissions Paid to Representatives by Year - Canada

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10 - \$999.99	6,146	94.16%	23.37%	1,073,864.10	4,581	92.15%	20.10%	837,428.38
\$1,000.00 - \$1,999.99	167	2.56%	4.96%	227,695.38	205	4.12%	6.91%	287,814.84
\$2,000.00 - \$2,999.99	52	0.80%	2.83%	130,261.16	53	1.07%	3.03%	126,416.27
\$3,000.00 - \$3,999.99	21	0.33%	1.54%	70,565.48	30	0.61%	2.45%	102,175.29
\$4,000.00 - \$4,999.99	19	0.29%	1.87%	85,964.02	15	0.30%	1.63%	67,808.82
\$5,000.00 - \$5,999.99	14	0.21%	1.67%	76,829.13	12	0.24%	1.60%	66,753.24
\$6,000.00 - \$6,999.99	13	0.20%	1.86%	85,448.11	9	0.18%	1.38%	57,582.37
\$7,000.00 - \$7,999.99	9	0.14%	1.48%	67,884.90	5	0.10%	0.88%	36,581.95
\$8,000.00 - \$8,999.99	8	0.12%	1.46%	67,286.92	3	0.06%	0.63%	26,225.03
\$9,000.00 - \$10,000.00	8	0.12%	1.64%	75,185.12	3	0.06%	0.67%	27,929.05
>\$10,000.00	70	1.07%	57.32%	2,633,902.83	55	1.11%	60.72%	2,530,487.08
Totals	6,527	100.00%	100.00%	4,594,887.15	4,971	100.00%	100.00%	4,167,202.32

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$0.00 - \$99.99	1,944	31.63%	4.50%	48,343.76	1,580	34.49%	5.42%	45,406.63
\$100.00 - \$199.99	2,315	37.67%	27.37%	293,874.34	1,518	33.14%	23.32%	195,272.59
\$200.00 - \$299.99	878	14.29%	20.40%	219,102.77	649	14.17%	19.38%	162,249.31
\$300.00 - \$399.99	442	7.19%	15.05%	161,675.05	336	7.33%	14.62%	122,418.71
\$400.00 - \$499.99	183	2.98%	7.76%	83,382.30	171	3.73%	9.41%	78,807.07
\$500.00 - \$599.99	112	1.82%	5.69%	61,051.07	93	2.03%	6.06%	50,773.44
\$600.00 - \$699.99	108	1.75%	6.47%	69,494.50	63	1.37%	4.77%	39,934.52
\$700.00 - \$799.99	70	1.14%	4.86%	52,182.51	74	1.62%	6.58%	55,138.88
\$800.00 - \$899.99	45	0.73%	3.58%	38,395.54	49	1.07%	5.02%	42,017.21
\$900.00 - \$1,000.00	49	0.80%	4.32%	46,362.26	48	1.05%	5.42%	45,410.02
Totals	6,146	100.00%	100.00%	1,073,864.10	4,581	100.00%	100.00%	837,428.38

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$10,001.00 - \$19,999.99	41	58.57%	21.60%	568,993.47	24	43.64%	14.37%	363,628.27
20,000.00 - 29,999.99	9	12.86%	8.49%	223,601.32	6	10.91%	5.59%	141,348.87
30,000.00 - 39,999.99	4	5.71%	5.03%	132,606.48	6	10.91%	8.69%	219,975.23
40,000.00 - 50,000.00	1	1.43%	1.77%	46,494.99	3	5.45%	4.99%	126,250.30
>\$50,000.00	15	21.43%	63.11%	1,662,206.57	16	29.09%	66.36%	1,679,284.41
Totals	70	100.00%	100.00%	2,633,902.83	55	100.00%	100.00%	2,530,487.08

Net Commissions Paid	2011				2012			
	Number of IRs		Amount Paid		Number of IRs		Amount Paid	
\$50,001.00 - \$99,999.99	9	60%	38.27%	636,150.30	10	62.50%	39.05%	655,793.74
\$100,000.00 - \$149,999.99	1	6.67%	8.84%	146,860.61	3	18.75%	22.85%	383,769.68
\$150,000.00 - \$199,999.99	5	33.33%	52.89%	879,195.66	1	6.25%	9.84%	165,123.80
\$200,000.00 - \$249,999.99	-	-	-	-	1	6.25%	13.35%	224,200.56
\$250,000.00 - \$299,999.99	-	-	-	-	1	6.25%	14.91%	250,396.63
\$300,000.00 - \$349,999.99	-	-	-	-	-	-	-	-
\$350,000.00 - \$399,999.99	-	-	-	-	-	-	-	-
\$400,000.00 - \$449,999.99	-	-	-	-	-	-	-	-
\$450,000.00 - \$500,000.00	-	-	-	-	-	-	-	-
Totals	15	100.00%	100.00%	1,662,206.57	16	100.00%	100.00%	1,679,284.41

TAB 6

ROBB EVANS and
ROBB EVANS & ASSOCIATES LLC
 Temporary Receiver of Fortune Hi-Tech Marketing, Inc., et al
 Summary of Distributions & Salary Paid to Shareholders by Year

Distributions/Dividends Paid by Year

	2001	2002	2003	2004	2005	2006	2007		2008		Before 1/1/2009	
	FHTM	FHTM	FHTM	FHTM	FHTM	FHTM	FHTM	Alan Clark	FHTM	Alan Clark	FHTM	Alan Clark
Paul C. Orberson	\$ 108,700	\$ 571,965	\$ 297,745	\$ 328,275	\$ 276,850	\$ 1,326,867	\$ 1,502,375	\$ 153,000	\$ 2,809,820	\$ 600,000	\$ 7,222,597	\$ 753,000
Thomas Mills	83,700	440,365	229,245	252,725	213,150	1,142,945	1,294,125	102,000	2,420,340	400,000	6,076,595	502,000
Shareholder#3						26,275	29,750	51,000	55,640	200,000	111,665	251,000
Shareholder#4						131,373	148,750		278,200		558,323	
Shareholder#5								51,000		200,000		251,000
Shareholder#6								51,000		200,000		251,000
Shareholder#7								51,000		200,000		251,000
Shareholder#8								51,000		200,000		251,000
	\$ 192,400	\$ 1,012,330	\$ 526,990	\$ 581,000	\$ 490,000	\$ 2,627,460	\$ 2,975,000	\$ 510,000	\$ 5,564,000	\$ 2,000,000	\$ 13,969,180	\$ 2,510,000

	2009		2010		2011		2012		2013		After 1/1/2009	
	FHTM	Alan Clark	FHTM	Alan Clark	FHTM	Alan Clark	FHTM	Alan Clark	FHTM	Alan Clark	FHTM	Alan Clark
Paul Orberson	\$ 2,752,250	\$ 945,000	\$ 3,838,000	\$ 996,000	\$ 1,060,500	\$ 459,900	\$ 404,000	\$ 264,600		\$ 15,000	\$ 8,054,750	\$ 2,680,500
Thomas Mills	2,370,750	630,000	3,306,000	664,000	913,500	306,600	348,000	176,400		10,000	6,938,250	1,787,000
Shareholder#3	54,500	315,000	76,000	332,000	21,000	153,300	8,000	88,200		5,000	159,500	893,500
Shareholder#4	272,500		380,000		105,000		40,000				797,500	
Shareholder#5		315,000		332,000		153,300		88,200		5,000		893,500
Shareholder#6		315,000		332,000		153,300		88,200		5,000		893,500
Shareholder#7		315,000		332,000		153,300		88,200		5,000		893,500
Shareholder#8		315,000		332,000		153,300		88,200		5,000		893,500
	\$ 5,450,000	\$ 3,150,000	\$ 7,600,000	\$ 3,320,000	\$ 2,100,000	\$ 1,533,000	\$ 800,000	\$ 882,000		\$ 50,000	\$ 15,950,000	\$ 8,935,000

Grand Totals **\$ 29,919,180** **\$ 11,445,000**

Retained Earnings **\$ 31,204,504** **\$ 12,405,841**

95.88% 92.25%

Salary Compensation Paid by Year

	2007	2008	2009	2010	2011	2012	Before	After	Total
	FHTM	FHTM	FHTM	FHTM	FHTM	FHTM	1/1/2009	1/1/2009	
Paul Orberson	\$ 831,427		\$ 690,376	\$ 491,229	\$ 204,438	\$ 311,883	\$ 831,427	\$ 1,697,927	\$ 2,529,354
Thomas Mills	875,699		367,758	735,516	506,244	360,924	875,699	1,970,442	2,846,141
Shareholder#3	279,847		206,938	498,116	379,842	468,464	279,847	1,553,359	1,833,206
Shareholder#6	7,318	500		50,281	67,481	84,516	7,818	202,278	210,095
Shareholder#7						46,523		46,523	46,523
Shareholder#8						4,211		4,211	4,211
	\$ 1,994,290	\$ 500	\$ 1,265,072	\$ 1,775,142	\$ 1,158,004	\$ 1,276,521	\$ 1,994,790	\$ 5,474,739	\$ 7,469,530

TAB 7

Complaint 1

01/29/2013 08:06 FAX

LTD

001

BARBARA

1/29/2013

To: FHTM Compliance Dept.
Fax: 859-422-7024

Re: Reverse Credit Card Charges

Hello:

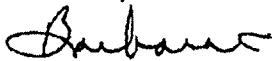
Please reverse the \$249.99 that FHTM charges to my credit card on 12/10/12 or send me a refund in that amount.

I do not wish to join your organization at all and I believe I was misled completely. The person who signed me up, Hermi , was new to the organization and he did not tell me much about it. He had me talk to Darta : who left your organization it turns out, about the same time she talked to me.

My credit card was not supposed to be charged and I feel that your whole organization is a scam.

Please refund my money immediately.

Thank you,



Barbara
Membership ID
Rep ID

Complaint 2

Sheena

January 24, 2013

Fortune Hi-Tech Marketing, Inc. (FHTM)
880 Corporate Drive, Suite 300
Lexington, KY 40503

January 23, 2013

Dear Sir or Madam:

On May 7, 2012 I spoke to one of your representatives named Elise about discontinuing my affiliation with FHTM. Elise was very helpful in providing the inactivation form and fax number to fax in the inactivation form. I also returned all packages back to the sender. I did exactly what she said but I have not received reimbursement from FHTM. My web id number is

I would like to be reimbursed all of my money from FHTM. I am completely disgusted with the way this company's representatives are running their businesses.

I was first approached by Mike who seemed like a positive person and one who was genuinely trying to help others. I believed in what he was telling me as it seemed legitimate and he gave me hope for a better life for myself and three children. I used all the money I had in my account to sign up because I believed that this program would truly work for me. About two days later when I'm presenting the presentation to one of my friends I find out from my friend that every month I have to purchase vitamins or other products from FHTM. I was so angry with Mike because never once did he tell me that I would have to make any purchases from the company!!! I couldn't afford to have any revolving accounts!! I couldn't even pay my bills as is! He completely misrepresented the way the program worked! Then when I confront him about his misleading me, he tried to act like I was the one with the problem because in his words "you don't trust me!" How can I trust someone who lied blatantly to my face?

Nevertheless, I insist that you refund my money in full. I believe this was a complete breach of contract agreement.

Thank you for your time in resolving this matter.

Sincerely,

Sheena

Sheena
Web id

Complaint 3

XX DATE/TIME HPK-ET-EDIC(FKI) IC:JD
APR. 27. 2012 11:26AM ()

NO. 6458 P. 2

April 27, 2012

Fortune Hi-Tech Marketing, Inc. (FHTM)
880 Corporate Drive, Suite 300
Lexington, KY 40503

RE: Member ID Joseph (myself)

To Whom It May Concern:

I am writing to demand that your company immediately cancel my involvement and any relationship that exists between myself and Fortune Hi-Tech Marketing, Inc. (FHTM).

I have been lead to believe that FHTM is a large company and that the images of the building used on your promotional materials and presentations is FHTM headquarters, when, in fact, you occupy only a small portion of the building renting a suite on the 3rd floor of said building. I have been lead to believe that your company is engaged in business partnerships with DirecTV, Roadside Auto Club, and others, and have learned these to be only some of a long string of patently false statements used to build credibility for your company when there is no credibility.

Based on evidence I have viewed and conversations with individuals in various state and federal agencies, it has become clear to me that FHTM is a product-based pyramid scheme disguised as a legitimate direct sales company. You entice people to pay a fee to sign up, pay an exorbitant fee to purchase products to sell, but strongly emphasize the need to recruit more "members" to make money. The products that you sell under the pretense of contracts and partnerships with legitimate businesses do not sell well, and therefore it become necessary to keep recruiting more and more members levels deep to sell the same products until there is nobody left to be recruited.

Had I done my homework, I'd quickly have learned that what you portray as a legitimate Multi Level Marketing company is nothing more than a scam operated by a sham company. The products and services offered are, in many cases, available at a much lower price directly from the company. Your representing exclusive partnerships with these companies is not a mark of a legitimate business, but, rather, is a mark of a predatory scam.

I am demanding that my membership with FHTM be cancelled by the end of the business day today, April 27, 2012, and that any monies I have paid to FHTM be refunded within five business days. Please notify me by electronic mail at joe.rangitsch@gmail.com that my demand has been satisfied. Failure on your part to withdraw my membership and to refund the funds which were fraudulently extorted from me will result in my filing a complaint with The Montana State Auditor, The Better Business Bureau of Kentucky,

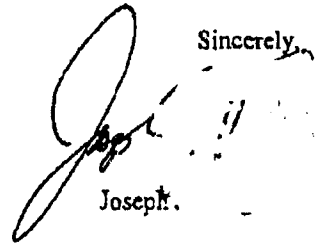
XX DATE/TIME HPK-21-2012(FRI) 12:35
APR. 27. 2012 11:26AM UI DIVISION 406 444 2699

NO. 6458 P. 3

and the Federal Trade Commission. I am also prepared to contact local TV news and print media outlets to air consumer caution segments regarding my opinions of your business.

The person I spoke with on the phone this morning purporting to be from your Corporate Office was the rudest and most despicable person I have ever dealt with in my life, and I am ashamed that I ever affiliated myself with your company. My friends who brought me onboard are wonderful people, and I can only hope that they are not hurt by your unethical, inhuman, and ILLIGAL business practices.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph", is written over a faint, illegible typed name. The signature is fluid and cursive.

Joseph.

Complaint 4

5-24-12

APPROVED

5/24/12: Matthew
Refund Request
Approved

Matthew

Fortune Hi-Tech Marketing, Inc.
880 Corporate Drive Suite 300
Lexington, KY 40503

To Whom It May Concern:

I am writing this letter today for Matthew . . . The way
that I am related to him is because I am his spouse. His
representative number is

The reason why I am writing this letter to you all today is because
we are very **UNHAPPY** with you all at this time. My husband and
I got into the business to try to make some extra money, but we
haven't made any yet.

I/we called before the 28th of April and told FHTM that we wanted
out bundle canceled. When I called on Monday April 30th to make
sure that our bundle was cancelled, the CSR that I spoke with said
that he would have to get in touch with the warehouse. He was
unable to contact the warehouse do to the warehouse going through
new computer software.

I called back about 2 days later to make sure again to make sure
that our bundle was cancelled for sure. The CSR at that time said
that the computers were still down in the warehouse.

When I got home on May 1st from work I had a package from FHTM and I did not open it and I took back to our post office and told them that I refuse this package. They wrote refused on the box and sent it back to you all.

A few days later when I was at home and our mail was delivered, we got another bundle from FHTM. I refused that one too.

I called back today on May 24, 2012 to see if FHTM has received the package yet and the CSR said that you had not received it yet.

On April 30, 2012, you all took the \$113.33 out of our checking account after I know for a fact I called before the 28th of April. So I am going to say this in a nice way, either you give us back or \$113.33 along with the \$35.00 NSF charge that I/we were charged or I/we will get our attorney involved and we will sue FHTM and I will contact the BBB. I will also notify everyone I know not to get involved with you all.

Thank you for your time to this matter.

Sincerely,



Matthew

Complaint 5

14-06 2044

P 12

RICHARD V

APPROVED

5/6/11

Refund Request

Refund Request
In - 5008



May 3, 2011

Compliance fhtm
880 corporate dr.
Ste 200
Lexington ky 40503

To whom it may concern,

I am writing this to explain my experience with FHTM thus far. First of all, I have miscommunications with anyone that is involved. Everything that I have been told has not come into play. I was under the impression that it was about selling the product but yet I keep getting told to bring people to sign up. every time I talk about selling the product to people my upper link tells me that I should not worry about selling the product but sell the business. With that being said it is appearing that to him this is a pyramid scene instead of selling product.

I have decided that it is my best interest to just leave the company and to see if it is possible for me to get some kind of compensation for the money I feel that I have been out.

Here is the reason I feel this should be compensated:

1)when I signed up(\$200.00) they said I would make money right away after my card was ran they informed me that it would take 120 days to see anything.

2) my card was ran an additional \$107.29 for vitamins that I never ordered.

3) every time that I tried to sell product my uplink (ronnie) would tell me not to worry about the product we need people is what he would tell me. He would tell me that is where the money is at .

4)my card has been ran for an additional \$107.29 on two different occasions for vitamins that I did not order.

All in all I have not been very satisfied with my experience with FHTM thus far and would appreciate a response from your department so we can come to some resolution here.

Thank you for taking the time in reading my letter and helping me with the problem I am having I have very little income and took almost everything we had to ry and start something I thought would be a good deal and now I am broke from this.

Sincerely,

Richard

Complaint 6

May 16, 2011

*Refund
5/14/11*

APPROVED

*5/19/11
Refund Request
Approved*

FHTM Compliance Department
880 Corporate Drive, Suite 300
Lexington, Kentucky 40503

RE: IF

To Whom It May Concern:

This letter is a request for our membership fees to be refunded to us as we have exited from your program a couple of weeks ago. We were advised that if we sent a letter to your office with an explanation of why we feel this program is not for us.

Two reasons exist for this request; one is that when we were introduced to this program we were led to understand that our enrollment fee is a onetime fee and that we were not going to be required to buy product every month to meet qualifications. As it turns out, in order for us to maintain and it would be necessary to spend at minimum a \$100.00 to a \$150.00 per month for product and that a fee of a \$100.00 would be debited from our account every month. The second reason being that we were led to believe that the products we ordered were come in cases for retail sale, not (as in our case) four bottles of product at \$25.00 per bottle. In this area and in our income bracket no one would buy that high of product from us and we surely cannot afford that expensive of shampoo and cream rinse on our fixed income.

The introduction was seductive in its possibilities, but we are retired and disabled senior citizens on a fixed income that has to be carefully monitored and the information was misleading which would be disastrous to our financial stability. As it stands today we have lost both our fee and product money for something we could not afford and would not have joined if given the full information up front.

Sincerely,

Houston

Complaint 7

10/2011 04:38

PAGE 01/02

Bethany

January 10, 2011

Compliance Department
Fortune Marketing
Fax: (859) 422-7024
Phone: (859) 422-7008

APPROVED

Dear Compliance Department:

This letter is to complain about service I recently received from Fortune Marketing. On January 10, 2010 my bank account was charged for \$107.87, and I called your customer service representative named William, and he advised me to fax you a letter.

My Representative ID is [redacted]. I am upset, because when I initially signed up with Fortuned under Sponsor, Thomas Mills, I did sign an application, however, I purchased nothing at the time. It took me two weeks to get back in touch with him to see how to proceed. When I finally did, I was invited to my friend, Jennifer [redacted] home for a training video session. At that time, Thomas persuaded me to purchase a "bundle." I wrote my debit card number down on the back of a piece of paper he had been using during the session, and my address. I was told this would be a one time only charge, and when I needed to buy more, to go online and order it.

Since that time, I have not been able to get in touch with Mr. Thomas Mills for any type of support at all. Today, January 10, 2010, I noticed a charge of \$107.87 on my bank statement. When I called to inquire, I was told nothing could be done, so I asked for a manager, and spoke to a gentleman named William. William advised me that I had to contact you within 7 business days to cancel my order, the order I knew nothing about, and since I had not followed the policy, nothing could be done. Mr. Mills took my info on the back of that paper, and never even indicated to me what type of "bundle" I would be receiving. I foolishly took his word on good faith, because he is involved with other people I know. Because of this charge, my monthly bills will no bounce, and I am not happy. I am going to send a letter to the BBB and contact an attorney if this matter isn't resolved to my satisfaction. Mrs. [redacted] did try to contact Mr. Mills on my behalf today, as I did, and he answered the phone for her. He advised her that this was our fault, because we weren't trying to make this business work. I ask you, how am I supposed to make a business work, if I don't know how, and can't get support? That isn't the case at hand either, that is a charge that I was told would be one time only, and never advised of any type of cancelation policy, has been rendered on me. William gave me your number, and advised me to fax a letter to you, in hopes of obtaining your help. After I ended the

1/10/11
-refund request
-rep not adv. of
recurring billing
and not purchase
order product...approved

01/10/2011 04:38

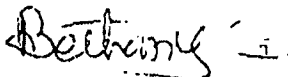
PAGE 02/02

Compliance Department
January 10, 2011
Page 2

call with William, I did call back, and speak to a Luke, at which time I canceled any further dealings with your company.

- I expected a much higher level of service from your company, and I am quite disappointed. Because I do not want to spend any more time on this problem, I am cancelling whatever service Mr. Mills signed me up for immediately, and I expect a full refund. I will be informing my friends and family about this experience.

Sincerely,



Bethany

Complaint 8

Denied
by ALGON

November 26, 2010

Fortune High Tech Marketing
880 Corporate Drive
Lexington, Ky 40503
Ref. # Rep

Gentlemen,

When I began my association with Fortune High Tech Marketing I felt it was a wonderful opportunity to get into network marketing. The DVD presentations of some of your "Stars" Todd Roland and others made the program look very attractive and that so many people were getting very wealthy using Fortune's method of marketing.

It did not take very long to realize that Fortune was a big "hype" and that very few reps were making any money and most were not even getting back their investment.

My wife and I in order to get points to qualify for the residual income, purchased the "Amusement Pack" where you pay \$25.00 a month and get coupons to eat out monthly if you spend \$35.00 at the restaurant.

We recently called "Little Italy Pizza & Italian Restaurant located at 1441 C University Dr. Burlington, NC 27215 and they said you had broken the contract with them and we would not have our coupon honored.

Considering our past experiences with Fortune and feeling like the opportunity was not presented with enough disclosure of only a few reps were making any money and most were losing money... The residuals were misrepresented and most of the reps were making only a few dollars.

I am asking for a return of my initial investment of \$299.00 and I am willing to let the whole matter drop. Otherwise I will pursue other avenues to get my money returned.

Sincerely,

[Handwritten signature]
John

11/26/10
- refund request
- outside of 10
days and received
commissions