



For Release: May 21, 2007

Stored-Value MasterCard Sent Today to SkyBiz Pyramid Scheme Victims

Cards Must be Activated Before Use; No New Claims Being Accepted

The Federal Trade Commission is announcing that redress administrator Robb Evans & Associates LLC today sent stored-value MasterCard to all eligible consumers who were victims of the SkyBiz pyramid scheme. The cards, which must be activated before they can be used, have been loaded with a pre-set amount of money and can be used at any retailer worldwide that accepts MasterCard. The cards must be used by September 20, 2007, after which unused balances will be forfeited. In early March, the FTC announced the deadline for consumers to submit claims in this case. That deadline has now passed, and no new claims are being accepted.

The Stored-Value Cards: Details on the stored-value MasterCard that have been mailed to consumers who submitted redress applications and were found eligible are provided below:

- The cards must be activated online at www.skybiz-redress.com/svc. Consumers must have their claim number to activate their card. Detailed instructions can be found at www.skybiz-redress.com.
- Cards are valid for 120 days and will expire on September 20, 2007. Any unused amount will be forfeited after that date.
- Cards are being mailed to the address provided during validation or the last known address provided during claim submission.
- Consumers can go to www.skybiz-redress.com for further information and to view the card-activation instructions.
- To report a lost card, consumers can e-mail the redress administrator at skybiz-redress@robbevans.com. The e-mail should include the consumer's full name, e-mail address, previous and current mailing address, and claim number and/or Web site names if they are known.

Case History: In May 2001, the FTC filed suit in U.S. district court in Tulsa, Oklahoma, against SkyBiz and its principals, alleging that they promoted a pyramid scheme with claims of quick riches. The complaint alleged the defendants used sales presentations, seminars, teleconferences, and its Web site to tout the opportunity to earn thousands of dollars a week by recruiting new "associates" into the program. The cost to join the SkyBiz program was \$125, supposedly to pay for an "e-Commerce Web Pak." Focusing on the "huge amounts of money" participants could earn, the defendants encouraged participants to buy more than one Web Pak at a time. According to the Commission, the plan was a classic pyramid scheme, promoted by fraudulent earnings claims.

The case was scheduled to go to trial on January 16, 2003. By that date, the FTC also had pursued the case in the courts of Ireland and Bermuda, and received assistance from law enforcers in numerous countries including Australia, South Africa, New Zealand, and Canada. Before the trial, however, the defendants stipulated to a settlement that was entered by the court on January 29, 2003. The settlement provided \$20 million for consumer redress and barred the defendants from participating in pyramid schemes or making specific earnings claims when promoting future business ventures.

An FTC press release issued on March 24, 2003, details the terms of the settlements with several of the individual defendants in the case, as well as the participation the FTC received from other law enforcement agencies in bringing and settling the complaint. The initial details of the redress plan were announced in a May 14, 2004 press release. On March 1, 2007 the Commission issued a release announcing a deadline for consumers wishing to file for redress. All three releases can be found on the FTC's Web site.

The Commission wishes to acknowledge the numerous members of The International Consumer Protection and Enforcement Network (ICPEN) who provided substantial assistance in the administration of redress in this case.

Copies of the documents related to the SkyBiz matter are available from the FTC's Web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint, or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at <http://www.ftc.gov>. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to more than 1,600 civil and criminal law enforcement agencies in the U.S. and abroad.

MEDIA CONTACT:

Mitchell J. Katz,
Office of Public Affairs
202-326-2161

STAFF CONTACT:

James E. Elliott
FTC Southwest Region, Dallas
214-979-9373
