

IN THE MATTER OF

KALVIN P. SCHMIDT

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3834. Complaint, Nov. 3, 1998--Decision, Nov. 3, 1998*

This consent order, among other things, prohibits a Minnesota resident, that promoted and distributed computer software and pyramid marketing programs, from participating in any chain letter schemes, pyramid sales schemes or ponzi schemes, and from assisting or providing others with the means to participate in these prohibited schemes.

Participants

For the Commission: *Tara Flynn.*

For the respondent: *Thomas Hagen, Patton, Hoversten & Berg,*
Waseca, MN.

COMPLAINT

The Federal Trade Commission, having reason to believe that Calvin P. Schmidt, individually, and doing business as DKS Enterprises, DS Productions, DES Enterprises, www.mkt-america.com, and www.mkt-usa.com ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Calvin P. Schmidt is a Minnesota resident who does business as DKS Enterprises, DS Productions, DES Enterprises, www.mkt-america.com, and www.mkt-usa.com. He conducts his business activities out of his home, 911 3rd Street, N.W., Waseca, Minnesota.

2. At all times relevant to this complaint, respondent has promoted, offered for sale, sold, and distributed via the Internet and U.S. Mail, computer software, and computer disks containing the software, designed to perpetuate chain or pyramid marketing programs, such as Mega\$Nets and MegaResource.

3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

MEGA\$NETS and MEGARESOURCE

4. Since July 1997 or earlier, respondent has induced consumers to participate in Mega\$Nets and MegaResource, two chain or pyramid marketing programs. Respondent promises consumers that by participating in these programs they can earn substantial profits. Respondent promotes the Mega\$Nets and MegaResource programs on web sites, such as www.mkt-america.com, and in unsolicited electronic mail he sends or causes to be sent via the Internet.

5. Consumers who visit one of respondent's web sites can download copies of software programs that form the basis of the Mega\$Nets and MegaResource chain or pyramid marketing programs. Contained within the Mega\$Nets software program is a list of five (5) names and addresses. The software program and web sites direct a consumer to send twenty dollars to each of five people listed in the software in order for the consumer to get his or her name placed at the top of the list of names. According to the respondent, upon receiving the money, the five people on the list will send "access codes" to the consumer. These "access codes" then allow the consumer to "unlock" the software, delete the last name on the list, and insert his or her name on the top of the list.

6. The Mega\$Nets software program and the respondent's promotional materials instruct the consumer who follows this procedure to perpetuate the scheme by providing the software to others for free. To help the consumer provide the software to others for free, respondent, in his materials, urges the consumer to duplicate the software containing the consumer's name onto disks and then to distribute these disks through the mails. Respondent also urges the consumer to make the software available at a web site that the respondent creates and hosts for the consumer, and that is almost identical to the respondent's own web site. Moreover, respondent encourages the consumer to send unsolicited electronic mail to other persons, referring these persons to the consumer's Mega\$Nets web site.

7. MegaResource operates similarly to Mega\$Nets. Consumers can download a copy of the MegaResource software from one of the respondent's web sites. When a consumer sends twenty dollars to each of six persons on the list contained in the MegaResource software, the consumer receives "access codes" which "unlock" information contained in the software. The software purportedly

contains information relating to marketing, such as lists of newspapers in which to advertise. Once all the information in the software is "unlocked," a consumer can place his or her name on the list contained in the MegaResource software and duplicate the software for distribution.

8. Respondent leases computer server space from a third party and "hosts" the Mega\$Nets and MegaResource web sites he creates for others on this server space -- *i.e.*, the computer files for the web sites are physically located on the computer hard drive of the third party from whom the respondent leases the space.

9. Respondent also composed and sent or caused to be sent hundreds of thousands of unsolicited electronic mail messages via the Internet to consumers directing them to web sites promoting the Mega\$Nets and MegaResource programs. These web sites promoting Mega\$Nets and MegaResource contained the statements alleged in paragraph 10, below.

10. Respondent has disseminated or has caused to be disseminated advertisements for the Mega\$Nets and MegaResource programs, including, but not necessarily limited to, the attached Exhibits A-C. The respondent's web sites contain the following representations:

A. "Mega\$Nets is an easy to use yet sophisticated software program to help the average person get in on the fabulous profits being made in the computer networking age. . . . The potential for you to receive a tremendous income within a remarkably short period of time is to [sic] good to refuse!" (Exhibit A).

B. "The potential earnings so far could total \$15,000!" (Exhibit B)

C. "The Multiplier Effect

HERE IT BECOMES AWESOME! Your next payment in the 4th position could be \$20 times 3125 which is \$62,500. Add that to your previous \$15,000, and the grand total is \$77,500. When the fifth and final position is reached, your name disappears from future duplicated disks. By then your TOTAL INCOME COULD BE \$312,500!!" (Exhibit B)

D. "We know people who are making money with MegaResource. Imagine what you can do with [sic] an extra \$20 or \$200 or \$2,000 per month -- everyone can use extra money!!" (Exhibit C)

11. Respondent has also created, designed, and disseminated World Wide Web sites for others to promote Mega\$Nets and MegaResource. These sites contain the Mega\$Nets and MegaResource software programs. A Mega\$Nets web site designed by the respondent states:

FREE!! FREE!! FREE!! Get a **FREE** webpage just like this one. Just be one of the first 25 people to take advantage of our **MEGA\$NETS** program. We will personalize a site for you.... for **FREE!!** (Exhibit A)

A MegaResource web site designed by the respondent states:

"Thanks for visiting the MEGARESOURCE webpage. We are making money -- the EASY WAY!! If you have any questions Please contact me ASAP - We are listed as your agent on your disk you can download for FREE HERE

Email us HERE to reserve your **FREE** webpage, like this one, and the ability to give out **FREE** webpages to anyone you want to." (Exhibit C)

FALSE AND UNSUBSTANTIATED EARNINGS CLAIMS

12. Through the means described in paragraphs 4-11, respondents have represented, expressly or by implication, that all or virtually all consumers who participate in the Mega\$Nets and MegaResource programs earn substantial amounts of money.

13. In truth and in fact, most consumers who participate in the Mega\$Nets and MegaResource programs do not earn substantial amounts of money. Therefore, the representation set forth in paragraph 12 was, and is, false or misleading.

14. Through the means described in paragraphs 4-11, respondent has represented, expressly or by implication, that he possessed and relied upon a reasonable basis that substantiated the representation set forth in paragraph 12, at the time the representation was made.

15. In truth and in fact, respondent did not possess and rely upon a reasonable basis that substantiated the representation set forth in paragraph 12, at the time the representation was made. Therefore, the representation set forth in paragraph 14 was, and is, false or misleading.

MEANS AND INSTRUMENTALITIES

16. By creating and designing for others web sites containing copies of the Mega\$Nets and MegaResource software programs, hosting these web sites on the server he leases, and composing and sending unsolicited electronic mail messages to consumers directing them to these web sites promoting Mega\$Nets and MegaResource, respondent provided the means and instrumentalities to others, and thereby acted in concert with others or knowingly and substantially assisted others, to engage in the deceptive acts or practices alleged in

paragraphs 4-14, above, in violation of Section 5(a) of the Federal Trade Commission Act.

17. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

EXHIBIT A

NEW DOCUMENT

<http://www.mkt-america.com/>

[CLICK HERE for FREE \\$\\$\\$\\$ Software](#)

Exhibit A

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[News Home Page](#)

<http://www.mkt-america.com/mega/>

Visitors have decided to change their Financial Future.....SSSFREESSS

Mega\$Nets

BR> *The **FREE!** Software that Pays You Money!*

FREE !! FREE !! FREE!!

Get a **FREE** webpage just like this one. Just be one of the first 25 people to take advantage of our **MEGA\$NETS** program. We will personalize a site for you.....for FREE!! If you are one of these first 25 people - you will also receive **25 FREE** webpages to give away to your first 25 people too - **WOW!!** This will assure total and maximum duplication. Email me **HERE** to reserve your spot and check the availability of the **"Top 25"** spots. **HURRY** - Reserve your spot NOW!

MEGASNETS Step-by-Step Instructions from our Autoresponder [HERE](#)

Didn't Marry Money,

Haven't Won The Lottery...

Here's How To Make It On Your Own!

You are now reading information on an important home-based business concept of the next century! This is a networking breakthrough of enormous proportions! And it is here now and ready to help you earn the kind of income you deserve!

MegaSNETs combines 3 of the most powerful income opportunities of our time ...

- Computers
- Mail Order
- Network Marketing

Together, they offer you a home-based business you can work full or part-time. Mega\$Nets is an easy to use yet sophisticated software program to help the average person get in on the fabulous profits being made in the computer networking age.

Most of us know that the future is in computers. An estimated 150,000 new people are getting on the INTERNET each WEEK! MEGA-PROFITS will be earned with computers whether you and I are involved or not. So why not get involved NOW? The IBM compatible Mega\$Nets software disk normally costs \$20 to receive, but for a limited time we are offering the disk for FREE! The potential for you to receive a tremendous income within a remarkably short period of time is too good to refuse! Please

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EXHIBIT A

as7's Home Page

<http://www.mkt-america.com/mega/>

click on the buttons below for more detailed information.



MEGASNETS Step-by-Step Instructions from our Autoresponder [HERE](#)

Jump Start your Internet Sales!! MKT-USA.com
***** Business Building Tools Start NOW!!!!

Welcome to MKT-AMERICA.com

Webpace for immediate rent - Email us [HERE](#)

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EXHIBIT B

Mega\$Nets Home Page

<http://www.equishare.com/>

Mega\$Nets

The **FREE!** Software that Pays You Money!

If you Weren't Born Rich,

Didn't Marry Money,

Haven't Won The Lottery...

Here's How To Make It On Your Own!

You are now reading information on an important home-based business concept of the next century! This is a networking breakthrough of enormous proportions! And it is here now and ready to help you earn the kind of income you deserve!

Mega\$Nets combines 3 of the most powerful income opportunities of our time ... computers, mail order and network marketing. Together, they offer you a home-based business you can work full or part-time. Mega\$Nets is an easy to use yet sophisticated software program to help the average person get in on the fabulous profits being made in the computer networking age.

Most of us know that the future is in computers. An estimated 150,000 new people are getting on the INTERNET each month! MEGA-PROFITS will be earned with computers whether you and I are involved or not. So why not get involved NOW? The IBM compatible Mega\$Nets software disk normally costs \$20 to receive, but for a limited time we are offering the disk for FREE! The potential for you to receive a tremendous income within a remarkably short period of time is too good to refuse! Please click on the buttons below for more detailed information.



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Exhibit B

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EXHIBIT B

ga\$Nets - How it Works

<http://www.equishare.com/works.html>

Mega\$Nets

How it Works!

Here's How it Works

You receive the MEGA\$NETS software for FREE (normally you are charged \$20 for this) from the person sharing this opportunity with you. Load it into your PC. You will be impressed with the professional appearance of the software and how easy it is to operate! The menu includes access to a complete set of instructions. You also receive separate written and step-by-step instructions, so you do not even need to be familiar with computers!

- \$ Step 1. The computer will ask you to type in your own name and address. Be sure this information is correct. Once you click to the next screen, your information will be permanently locked into the program. No one can remove it!
- \$ Step 2. Next you will see the names and addresses of 5 vendors on your screen. Now move to the next screen and click on "Purchase Orders". Your printer will automatically produce a separate Purchase Order for each of those 5 vendors. Simply mail the orders, enclosing a money order for \$20 with each. In return for your order and payment, the 5 vendors will each send you a different code number. Your total expenditure is \$100; \$0 for your original disk and \$100 (5 x \$20) for your codes.
- \$ Step 3. Enter these codes into the computer program where it tells you to do so, and now you are able to make copies of your disk. You cannot make copies without these 5 codes. The program will not let you.
- \$ Step 4. Once you enter the 5 codes, you can now duplicate the disk and sell each duplicated disk to other people who own or have access to a compatible PC. They will want to buy because of the profit potential they too will have! Selling is not difficult. Just show them a copy of the Mega\$Nets Software or flyer!

What do buyers do?

When your customers load your duplicated disk, they will be instructed to do the same as you. They will purchase the computer codes they need to unlock their program (just like you did) and begin to duplicate the disk, as many times as they wish!

Before they duplicate, your name and address will have automatically been added into the system as an additional code vendor and one name will have been deleted. This is no different than removing a name from your rolodex. One name is added, one is removed.

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a\$Nets - How it Works

<http://www.equishare.com/works.html>[Back To Mega\\$Nets Home Page](#)

EXHIBIT B

a\$Nets - Detailed Information

<http://www.equishare.com/info.html>

Mega\$Nets

Detailed Information

Money Maker

If you sell a minimum of 5 disks for \$20 each, you will have back your original \$100. (Except for the cost of some blank disks, envelopes and stamps, you're even). If those 5 people sell 5, each one of those 25 disks will list your name and address as a code vendor. 25 people will now send you \$20 each along with Purchase Orders generated by their disk (total potential \$500). All you do is enter the Purchase Order information into your program and your computer will automatically print out the codes they have purchased from you. (This takes about 30 seconds). Mail the codes to your customers right away! Remember, the sooner they get their codes, the sooner your name will be duplicated again and again!

Now, when those 25 people sell to 5 people each your name will automatically move to the next position on the screen. As one of the five code vendors, 125 people (25 x 5) will each be sending you \$20 for your code (which they must have to let them make copies they can sell). That's \$2,500 to add to your first \$500 . . . which adds up to \$3,000 so far. And that's only the start! If the 125 people sell to 5 others each, and your name moves to the 3rd position on everyone's screen, potentially 625 people will be sending you \$20 . . . which is \$12,500 PLUS the \$2,500 you received earlier. The potential earnings so far could total \$15,000!

The Multiplier Effect

HERE IT BECOMES AWESOME! Your next payment in the 4th position could be \$20 times 3125, which is \$62,500. Add that to your previous \$15,000, and the grand total is \$77,500. When the fifth and final position is reached, your name disappears from future duplicated disks. By then your TOTAL INCOME COULD BE \$312,500!!

Do not forget, people must send you \$20; otherwise, you will not send them their code. You cannot make up a code. The code they are buying from you is generated by your computer program. Without the code, people CANNOT duplicate their disk. The design of the software will not let them. Also, they cannot generate their own codes. The system is tamper proof; so there is no way people can "break in" without the codes they receive from the 5 people shown on their screen.

You may be asking, "If 5 people sell to 5 people, and those people sell to 5 others and so on, it will not be long before we run out of people. If you earn a half million dollars as a MEGA\$NETS computer code vendor, your duplicated and reduplicated disks will have only reached 15,625 people. That's not many when you consider there are millions of people who own or have access to computers in this country alone. That's not even considering the number of computer users there are on a global scale!

Computer Code Vendor

Let's take a minute and truly understand what this business is all about. First of all, it is not an investment. You are purchasing a product; a computer software program with a 100% money back guarantee. Next, you can buy codes that will unlock the program so you can make duplicate disks and sell them. Soon, customers will be requesting codes from you. You become a vendor. You have something your customers need. That's real sales! That's real business! Isn't that what American businesses do every day of the week? Don't they get paid for selling someone a product, a service or just some information?

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i5Nets - Detailed Information

<http://www.equishare.com/info.html>*You don't even have to own a computer!*

MEGA\$NETS is your entry into the profitable world of computer software mail order! Although it is much easier, you do not have to own a computer to get started. If you don't have access to a computer, there is a popular chain of copy and print stores in most areas offering rental time on their computers for pennies a minute. (You can always buy a computer later with any earnings, right)? The great thing about MEGA\$NETS is the program is so "user friendly" most school age children can run it with ease.

Getting Started

For free you will receive the Mega\$Nets software on either a 3.5" disk which we mail to you or e-mail or simply download it from this site. Your computer should have at least a 3.5" disk drive (usually known as "A" drive) and of course your hard drive (or "C" drive). Any printer will suffice providing it will print plain text (not PostScript). The easiest way you to "get the ball rolling" and sell 5 disks (which must be your first goal) is to hand out copies of this flyer to people you know who have computers and are interested in starting their own business. Personal contacts are always the most effective and have little or no costs connected with them. But keep in mind, as in any sales business, never promise anyone they will earn a specific income. You can only project potential income as no one knows what anyone else can earn. It's an individual effort.

Can you sell more than 5 Disks?

YES! MEGA\$NETS allows you to make as many disks as you wish. The 5 codes you buy have in effect "licensed" you to duplicate as many disks as you want. Need more income? Sell more disks. It is your business. You own the software. You're the BOSS! Remember, if you sell 5 disks and everyone else does the same, you could eventually handle 15,625 MEGA\$NETS Purchase Orders in which you send the code they need. MEGA\$NETS software makes everything easy for you. It prints out all the codes in a Sales Receipt format with addresses positioned for window envelopes, so you don't even need to type envelopes. Similarly, when you first order your own 5 codes at the start, MEGA\$NETS automatically prints out the 5 Purchase Orders with your name and address on them, plus the name and address to whom you are sending it.

No One Can Cheat You!

That's right, it's impossible to cheat MEGA\$NETS software. And why would anyone want to try? No names and addresses can be erased to put in the names of "friends", and the software is programmed to generate constantly changing codes that cannot be "guessed". Without the correct codes, nothing works. You are a true computer software vendor and provider of valuable computer information codes that only you can provide for your customers.

The MEGA\$NETS Business Systems disk was developed by a professional commercial computer programmer. It looks professional and works professionally. (Some of today's best whiz-kids have tried to break the system and failed). In addition, MEGA\$NETS checks itself for viruses. If it finds any modifications, it will simply refuse to run, so your system is fully protected without damaging your files. The distribution process is similarly safeguarded. By holding a duplicate of the software within itself, MEGA\$NETS makes absolutely sure that each copy is the same as the original, but with your personalized information added to it.

Your very own legal Computer Software Company

As we have seen, MEGA\$NETS is like any other legal information-driven company. First, you sell the software program which includes valuable marketing information your customers can use for any business. Secondly, as an information vendor, you will be selling valuable computer codes to your

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SNet - Detailed Information

<http://www.equishare.com/info.html>

customers. Thirdly, you will be developing a mailing list out of your customers that can help you in promoting other income opportunities you may want to offer. Huge multi-billion dollar worldwide companies do this every hour of the day. MEGA\$NETS is no different. We just use network marketing to get the job done. Plus, there are no meetings to attend and no corporate headquarters or hot-shot executives who can change the plan or grab your earnings.

In effect, you are the owner and CEO of your own computer software network marketing company! All you have to do now is purchase your disk and you are on your way to an earnings potential that could bring you 11 financial independence! Just be ready to handle the volume! You are now in the computer software mail order business. Treat this like a real business and it can earn you the income of a real business! MEGA-INCOME!

Don't Wait. Do It NOW!!!



[Back To Mega\\$Nets Home Page](#)

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EXHIBIT C



MegaResource

The Professional Approach.....beats the rest "hands down"
The 21st Century way to Financial Freedom



THE  **Money-Making Software**

Look at this.....

- It is NOT an MLM company that may or may not survive.
- NO monthly purchases, inventory or applications to fill out
- NO sales volume to accumulative, or computer glitches.
- NO matrix to fill or binary to balance.
- NO pre-launch hype or meetings to attend.
- NO waiting to get paid.
- NO company to share your bonuses and commissions with.
- NO preordained pay periods.
- NO company to change policy and procedures midstream.
- NO company to go bankrupt, change their compensation plan, raise the price of their products, hold your commission checks.
- Unlike the "rest" - we have real products that are useful for everyone
- We have a "failsafe" method to deliver codes to unlock disks if anyone drops out or disappears
- MegaResource is updated regularly through a website download - no more outdated information or programs
- You can chose just to purchase the information or you can chose to become a distributor and retail products
- Everyone gets a FREE webpage like this to
- This is a professional system with live contacts - available for Windows environments
- **START TODAY!!**

YOU ARE THE SOFTWARE COMPANY!
ANYONE... ANY COUNTRY can participate!

NO U.S. address is required!

Quick  **Download**

You are in the Direct Sales business for **YOURSELF**. You get to manufacture unique computer software in a Windows platform and retail products if you chose. It is very sophisticated, yet very **USER FRIENDLY**. The software is extremely **EASY** to operate and has an impressive graphic interface and provides complete turnkey business management support. It performs **ALL** the paperwork for your business complete with Purchase Orders and Sales Receipts. You will have an immaculate paper trail on your business.

You are investing in **YOURSELF** and you earn 100% (not 10%) of the profits.

People are receiving a real product and real value for their dollar - No purchase is required to view the MegaResource system

You don't need to have a computer to do this, just access to one. You don't have to be in business to do this! However if you are, you'll find no better way to promote your program, product or service.

Exhibit C

EXHIBIT C

This Software Disk has a huge information library built in with hundreds of dollars of useful information PLUS MegaResource creates Thousands of *LEADS* for your Primary program. It doesn't compete with any other program ...it enhances and compliments it! And the added Bonus is that you will also have Orders in your mailbox *EVERY DAY*, because Each of the multitudes of Qualified Leads generated by this Software System *PAYS YOU* to send them the info about your Networking program and to provide the valuable information contained on this disk.

HERE'S HOW IT WORKS:

MegaResource is a business that distributes computer software and information. The Author hereby freely offers and agrees to its sale and reproduction through your business. The price for the software is nothing. You have therefore been granted complete copyright and reproduction rights to duplicate and distribute disks.

Everything you need to get started is right here on this page. You hold in your hands the network marketing concept of the next century! This is a networking breakthrough of enormous proportions! It's ready to go and in simple terms, is no different to any other mail order business.

You have **NOTHING TO LOSE** by checking this out. Download the **FREE** software below and see for yourself.

Have some FUN! See all the exciting information that will be available - **SEE** for yourself what MegaResource holds for you and why people are flocking to get this valuable software.

Download the **FREE** MegaResource software and while you are it, fill out the form and join us in this tremendous program.....see if it's for you.

The software will prompt you to type in your own name and address. Be sure this information is correct. Once you click to the next screen, your information will be permanently locked into the program. No one can remove it!

Check out all the different areas and if you decide to get involved - follow the easy and fast instructions to get started ASAP.

HOW MUCH MONEY CAN I MAKE?

As with any program - any earnings are solely dependent upon your efforts and contacts. We never make income claims - but we know many people who are making money with MegaResource. Imagine what you can do with an extra \$20 or \$200 or \$2,000 per month - everyone can use extra money!!

YOU get paid directly for the information contained on this disk - people will be sending you money orders to access the valuable information on this disk. The **NICE** thing

Remember - **YOU** can sell as **MANY** disks as you want, at **ANY** time! Once you have purchased the information, it is **YOURS FOREVER!** **YOU NEVER HAVE TO PAY AGAIN!**

(NOTE: no income claims or figures are represented - any income is purely derived from your efforts)

To help you, here are some of the most frequently asked questions:

IS IT LEGAL?

YES?? ... You are setting up 2 genuine trading companies, both buying and selling services and products of value. The products are valuable and are in demand. You open up many helpful and exciting information resources. The software itself will help you by printing all the paperwork, orders and sales receipts. ... It's just like paying a registration fee for shareware or

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EXHIBIT C

paying for information that will help you.

CAN I CHEAT?

NO! MegaResource has constantly shifting codes and algorithms, encrypting the software and data from tampering. Tampering with the disk results in destruction of the program. There is NO WAY TO SWITCH NAMES. Without the correct codes, nothing works. You are a true Computer Software Vendor and provider of valuable Registration Codes that only YOU can provide for your customers. By holding a duplicate of the software within itself, each program requires registration codes generated from the individual program from which it was spawned.

WHAT ABOUT COMPUTER VIRUSES?

As with any download - we recommend having a Virus Protection Program to check each and every program. MegaResource has been designed to eliminate Virus's.

CAN YOU GIVE OUT MORE THAN 5 DISKS?

YES! MegaResource allows you to make as many disks as you wish. The codes you have in effect "licensed" you to duplicate as many disks as you want. Need more income? Give away more disks. It is your business. You own the software. You're the BOSS! MegaResource software makes everything easy for you. It prints out all the Codes in a Sales Receipt format with addresses positioned for window envelopes, so you don't even need to type envelopes. Similarly, when you first order your own codes at the start, MegaResource automatically prints out the Purchase Orders with your name and address on them, plus the name and address to whom you are sending it. I recommend building at least 10 people wide for starters. The information products are real.

PROGRAM SUMMARY

This program works exactly like every other computer software company. You are generating and selling a software program which is also a valuable lead generation program your customers can use for any business PLUS a valuable information resource product. You also provide Registration Codes to your customers. You will also be developing a marketing list of customers to help you in promoting other income opportunities. Huge multi-billion dollar companies do this every day. This program is no different. It is a unique opportunity to do what the big boys have done for years. Sell software and include flyers for other products. This time the Money Orders come straight to YOU and not through ANYONE else! You don't merely get a "commission"... You get the Whole amount directly before you deliver product.

This is a complete Business on a Disk.

MegaResource is a simple sales and information based business. The program produces all the "paper work" you'll ever need to use. Simple Purchase Orders and product delivery tickets... NO records to keep. It EVEN puts the addresses on the orders so you can use window envelopes and not have to address them!

Your very own Computer Software Mail Order Company and Information products. Effectively a "business on a disk".

Plus, there are no meetings to attend and no corporate headquarters or hot-shot executives who can change the plan or grab your earnings.

You could promote your favorite humanitarian or fund raising cause or charity. You can even use MegaResource ITSELF AS A FUND RAISER... using the MegaResource response system to include information about the charity or cause to thousands of people WHO WILL NOT ONLY SOON HAVE A LOT OF MONEY TO SPEND (and possibly contribute) ... but the cause or charity itself could reap a SUBSTANTIAL FINANCIAL REWARDS as a direct result of distributing the software and information products.

MegaResource combines 4 of the most powerful income opportunities of our time ... COMPUTERS, MAIL ORDER, INFORMATION RESOURCES, and NETWORKING.

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EXHIBIT C

The launch of this revolutionary business is right NOW!! This means you are at the very top of a new computer networking mail order business that is going international! And there are no meetings to attend and the whole process takes very little time or expense. MegaResource is Brand new within the last few weeks.

It does not matter what company you are in, everyone needs leads, and EVERYONE will take CASH DAILY over checks on occasion! It is WORKING RIGHT NOW!!

There is no company to mess this up. Everyone who participates BECOMES THE COMPANY. That is powerful in itself! You are selling a Information product and service.

OPEN TO ANYONE AND EVERYONE WORLD-WIDE!

This computerized system ensures that YOU or ANYONE can restart the plan at ANY time, thus avoiding the normal chain of events that makes just a few at the top of the plan extremely rich at the expense of everyone else. Profits are returned directly in line with effort. People will always need information and this business information is in demand.

Remember also that helping your customers ACTUALLY SPEEDS UP the rate at which YOU RECEIVE MONEY! The disk you provide to your customer has YOUR details in the AGENTS box and YOU become a vendor when THEY sell the disk to someone else.

Take control of the situation NOW! You have nothing to lose and everything to gain by downloading the FREE software NOW!

Thanks for visiting the MEGARESOURCE webpage. We are making money - the EASY WAY!! If you have any questionsPlease contact me ASAP - We are listed as your agent on the disk you can download for FREE HERE

Email us [HERE](#) to reserve your FREE webpage, like this one, and the ability to give out FREE webpages to anyone you want to.



Download the FREE disk here and check it out - what have you got to lose??

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DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, his attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent for purposes of the order of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that respondent has violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Calvin P. Schmidt is a Minnesota resident who does business as DKS Enterprises, DS Productions, DES Enterprises, www.mkt-america.com, and www.mkt-usa.com. He conducts his business activities out of his home, 911 3rd Street, N.W., Waseca, Minnesota.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. "*Prohibited Marketing Program*" means a pyramid sales scheme, ponzi scheme, chain marketing scheme, or other marketing plan or program in which a person who participates makes a payment and receives the right, license or opportunity to derive income as a participant primarily from: (i) the recruitment of additional recruits by the participant, program promoter or others; (ii) sales made to or by such recruits or their recruits; or (iii) any other payments made by recruits. A "Prohibited Marketing Program" does not include a marketing plan or program in which the program promoter demonstrates that it has instituted and enforced rules that have the actual effect of insuring that a participant derives income primarily from the sale of goods or services to persons who do not recruit participants into the program.

For purposes of this order, the phrase "goods or services" does not include a membership or opportunity to participate in a sales or marketing program, or access codes or numbers which allow participation in a sales or marketing program.

2. "*Clearly and prominently*" shall mean as follows:

A. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and video portions of the advertisement. Provided, however, that in any advertisement presented solely through video or audio means, the disclosure may be made through the same means in which the ad is presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The video disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it. In addition to the foregoing, in interactive media the disclosure shall also be unavoidable and shall be presented prior to the consumer incurring any financial obligation.

B. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in

print that contrasts with the background against which it appears. In multipage documents, the disclosure shall appear on the cover or first page.

C. On a product label, the disclosure shall be in a type size and location on the principal display panel sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or on any label.

3. Unless otherwise specified, "*respondent*" shall mean Calvin P. Schmidt, individually and doing business as DKS Enterprises, DS Productions, DES Enterprises, www.mkt-america.com, and www.mkt-usa.com; and, his agents, representatives, and employees.

4. "*Commerce*" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

I.

It is ordered, That respondent, directly or through any corporation, subsidiary, division, or other device, shall cease and desist from engaging, participating, or assisting in any manner or capacity whatsoever in any Prohibited Marketing Program.

II.

It is further ordered, That respondent, directly or through any corporation, subsidiary, division, or other device, in connection with any marketing plan or program, or with the promotion, offering for sale, sale or distribution of any good or service, shall not:

A. Represent, expressly or by implication:

1. The income, profits, or sales volume that has been achieved by participants in any marketing program or purchasers of any good or service;

2. The income, profits, or sales volume that may be achieved by participants in any marketing program or purchasers of any good or service; or

3. Any other fact material to a consumer's decision to participate in such marketing plan or program or purchase such good or service

unless such representation is true and, at the time it is made, respondent possesses and relies upon competent and reliable evidence that substantiates the representation.

B. Make any representation in any manner, expressly or by implication, of specific earnings, profits or sales volume that have been achieved or may be achieved by participants in any marketing program or purchasers of any good or service without also clearly and prominently disclosing (1) the number of persons who earned at least the amount represented, and (2) the percentage of total participants or purchasers who earned at least the amount represented.

III.

It is further ordered, That respondent Calvin P. Schmidt, in connection with any business owned or controlled, in whole or in part, by him, for five (5) years after the date of issuance of this order, shall maintain and upon request make available to the Federal Trade Commission, for inspection and copying, business records demonstrating his compliance with the terms and provisions of this order, including:

A. All advertisements and promotional materials containing representations concerning actual or possible earnings by participants in any marketing plan or program or by purchasers of any good or service;

B. All materials that were relied upon in disseminating representations concerning actual or possible earnings by participants in any marketing plan or program or by purchasers of any good or service;

C. The income, disbursements, transactions, and use of money by any such business;

D. The name, address, telephone number, and social security number of each person employed by any such business in any capacity;

E. The name, address, and telephone number of each person whom respondent has recruited to participate in any marketing plan or program, or to whom respondent has sold any good or service;

F. All complaints and other communications between respondent and any consumer or any governmental or consumer protection organization; and

G. All documents relating in any way to any conduct subject to this final order.

IV.

It is further ordered, That respondent Calvin P. Schmidt shall deliver a copy of this order to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

V.

It is further ordered, That respondent Calvin P. Schmidt, for a period of seven (7) years after the date of issuance of this order, shall notify the Commission of the discontinuance of his current business or employment, or of his affiliation with any new business or employment. The notice shall include respondent's new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

VI.

It is further ordered, That Calvin P. Schmidt shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which he has complied with this order.

VII.

This order will terminate on November 3, 2018, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any Part in this order that terminates in less than twenty (20) years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Set Aside Order

126 F.T.C.

IN THE MATTER OF
EMERSON ELECTRIC CO., ET AL.

SET ASIDE ORDER IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3291. Consent Order, June 22, 1990—Set Aside Order, Nov. 4, 1998

This order reopens a 1990 consent order -- which required the respondents to divest McGill Manufacturing Company's mounted ball bearing business to a Commission approved acquirer -- and sets aside the prior approval provision and related reporting requirements of the order pursuant to the Commission's Prior Approval Policy Statement.

ORDER SETTING ASIDE ORDER

On July 24, 1998, Emerson Electric Co. and its wholly-owned subsidiary Emerson Power Transmission Corp. (collectively "Emerson"), the respondents named in the above-referenced consent order ("Order") issued by the Commission on June 22, 1990, filed its Petition to Reopen and Modify Consent Order ("Petition") in this matter. Emerson asks that the Commission reopen and modify the Order pursuant to Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b), and Section 2.51 of the Commission's Rules of Practice and Procedure, 16 CFR 2.51, and consistent with the Statement of Federal Trade Commission Concerning Prior Approval and Prior Notice Provisions, issued on June 21, 1995 ("Prior Approval Policy Statement").¹ The Petition requests that the Commission reopen and modify the Order to eliminate the prior approval provision and related reporting requirements set forth in paragraph IX of the Order. The thirty-day public comment period on the Petition ended on September 24, 1998. No comments were received. For the reasons discussed below, the Commission has determined to grant Emerson's Petition.

The Complaint in this matter alleges that Emerson's agreement with McGill Manufacturing Co., Inc. ("McGill") to acquire substantially all of McGill's voting securities violated Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. 45, and Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, by lessening

¹ 60 Fed. Reg. 39,745-47 (Aug. 3, 1995); 4 Trade Reg. Rep. (CCH) ¶ 13,241.