IDAHO
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

August 6, 2007

Re: Opinion Request

Dear Mr. :

This is in response to your request for an opinion from this Department regarding whether the (the Company) proposed business model will constitute the sale of securities, and whether the Company will be operating as an investment adviser as defined under the Idaho Uniform Securities Act (2004) (IUSA).

Definition of Security

Based on the information provided to our Department, it appears that the Company will offer an online investment training program and will receive compensation in the form of a flat, one-time membership fee, and a flat monthly fee of $500.00. Compensation to the Company will not be in the form of a commission on sales, or based on recommendations of specific investments. Members will use the training program to trade securities for their own account. Members will receive compensation by becoming a "trainer" and thereby selling the program to other individuals who then become members and part of the original member's "downline". The Company also receives a portion of the initial fee and ongoing monthly fee paid by the members' "downline".

Section 30-14-102(28) of the IUSA defines a security as:

"...a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security;
fractional undivided interest in oil, gas or other mineral rights; put, call, straddle, option or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or

SECURITIES BUREAU
Bureau Chief - Marilyn T. Chastain
800 Park Boulevard, Suite 200, Boise, ID 83712
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8004 Fax: (208) 332-8099
http://finance.idaho.gov

instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing."

In light of the above, the Company's program does not appear to be a profit-sharing agreement or otherwise meet the definition of a security as defined under the IUSA.

Definition of Investment Adviser

The Company has represented within documentation provided to this Department that it will not offer investment advice specific to any individual or security. All recommendations made as part of the training program will be general in nature and not tailored to any one individual's needs and will not reference any specific investment. Furthermore, as noted above, the Company will not be receiving compensation for investment advice and will not hold itself out as an investment adviser or any similar capacity.

Section 30-14-102(15) of the IUSA defines an investment adviser as:

"Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation."

Based on the Company's representations, it does not appear to be operating within the definition of investment adviser as defined by the IUSA.

Operation as a Pyramid Scheme

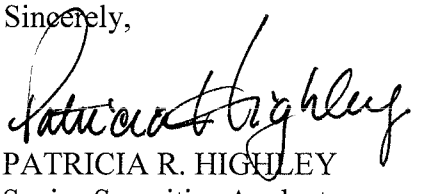
In reviewing the materials submitted to our Department by the Company, it is our view that the Company's program may be operating as a "pyramid promotional scheme" as defined by Section 18-3101 of the Pyramid and Chain Letter Act administered by the Idaho Office of the Attorney General. In general, these types of schemes are prohibited under the Pyramid and Chain Letter Act and considered an unfair and deceptive practice and a violation of the Idaho Consumer Protection Act.

We recommend that you consult private legal counsel regarding whether the Company is structured as a pyramid scheme.

The opinions expressed in this letter are based on the facts as you have represented them to this Department. Should the facts in this matter change or prove to be inaccurate, our opinions may also change.

The Department's views as expressed in this letter may not be used as an endorsement of any product, service, or business model of the Company or any other entity. Use of this letter and its contents in such a manner is a violation of Rule 47.06 of the IUSA.

Sincerely,



PATRICIA R. HIGHLEY
Senior Securities Analyst
Idaho Department of Finance