

# COMPANY PROSPECTUS

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Xoçai Company Prospectus

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Individual business results may vary. Income levels achieved in thie booklet are not typical or intended to imply that another distributor will achieve the same level of income. Earning levels for Xoçai Independent Distributors that appear in this publication should not be construed as representative of fixed or typical income earned with a Xoçai business, nor are they intended to represent that other Distributors will eventually achieve the same level of income. Income level achievements are dependent upon individual Distributor's business skills, personal ambition, time, commitment, activity and demographic factors.

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# 1 Risk/Return Summary

#### RISKS

Investment of Funds: The upfront investment costs of a Xoçai (sho-sigh) business are low (ranging from \$1,500 to \$5,000) when compared to most franchises. This prime investment includes the initial start-up fee, a monthly expense for regularly shipped products ("autoship"), and the potential business costs associated with marketing, advertising, traveling and office requirements.

Timing: While certain experienced industry experts will argue that it is best to get in at the "ground level" of a newly formed company, data has proven that may not always be the case. Like traditional businesses, newly established network marketing companies (i.e. younger than one year old)

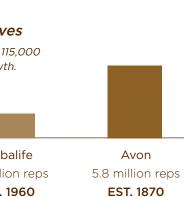
do have a higher risk of failing than those that are already established. On the other hand, the more established a networking company is, potentially the more difficult it may be for a new, inexperienced distributor to create large-scale success with that company ("large-scale" means an income of \$10,000 or more per month).

First Mover Advantage: Those who choose to engage with an already established company also run the risk of having missed the best potential for success. Many older companies experience their momentum/ growth phase between year 4 and year 6. Thus, the best opportunity for you to capitalize on synergies related to growth and excitement has already taken place with an established company; you may just be too late.

## Comparison of Independent Sales Executives

Although it is an established company, because it has only 115,000 distributors, Xoçai is perfectly positioned for dynamic growth.

Xoçai	Mary Kay	Herb
100,000 reps	1.7 million reps	1.9 millio
EST. 2005	EST. 1950	EST.





### **Executive Summary**

All investments have calculated risks and rewards. Most investors pursue projects with uncertainty in regard to benefits and costs. Certain investors do not fully consider risk in a financially meaningful way. The financial risk associated with a Xocai business is extremely low, whereas the potential returns on investment in Xoçai are substantial.

Because Xoçai is relatively young, yet stable, it represents a logical choice for interested parties looking for longterm growth within an established, well structured entity. Xoçai was established in June of 2005 and now has over 115.000 empowered representatives in 11 countries.

**Personal Time:** Decades of experience involving millions of people working within the network marketing industry clearly demonstrate that long-term success most certainly can be achieved. Typically this success comes with a commitment of personal time, resources and acquisition of professional skills. However, industry data specifically demonstrates that those individuals who commit more time to their homebased business also experience higher levels of success than those who are less committed.

Insufficient Product Supply: At times, certain companies experience financial difficulties or even failure due to the inability to meet product demand. However, in four years this has never occurred with Xocai and the company has gone to great lengths to ensure that it will never occur. One of the most impressive security measures Xoçai has put in place is its forecasting and purchasing of "Chocolate Futures," which will ensure ample, continuous supplies of raw, unprocessed chocolate for their various chocolate product lines for years to come.

### **RETURN ON INVESTMENT**

**Residual Income:** The greatest potential return of any home-based business, network marketing included, is that of building impressive, ongoing residuals that can generate income for years-even decades-into the future. In addition, there is no cap on potential income.

Anyone who makes the necessary commitments of time and effort will attain this level of comfort regardless of age, gender, education or circle of influence. This certainly is not the case with most standard "corporate" jobs.

Professional Training and Skills: As one dedicates time and resources to building a Xoçai home-based business, the acquisition and/or refining of professional business skills is a priceless return and worth noting. Xoçai sponsors various annual corporate training events at various venues nationwide and internationally. These include dynamic meetings, webinars, "on demand" training, conventions and conference calls. Thus, being fortified with extensive training, you are in business for yourself but definitely not by yourself.

Travel and Life Experience: With a successful Xoçai business, there are many exceptional opportunities for nationwide and international travel and experiencing new cultures as you attend seminars and visit areas where your teammates reside.

Personal and Professional Network: As you build and refine your Xoçai business, your network of professional contacts will grow by significant numbers and present many growth opportunities that otherwise would not have been available.

#### CONCLUSION

There are four basic steps one should utilize in evaluating any "risk / reward" opportunity:

- (1) Choose the risk to be assessed,
- (2) Chart your risk / return profile,
- (3) Calculate the risk and
- (4) Determine the required return on investment.



Name: JARED OVERTON **Occupation:** Restaurateur Age: 29 Years in Network Marketing: 3 Years in Xocai: 3 State of Residence: Utah, USA

Jared was a professional golfer in his mid-twenties and after marrying his wife, Kristen, began pursuing different avenues of business. He was introduced to MXI Corp. by giving golf lessons to one of the top distributors. He was intrigued and decided to give it a try. He says the Xocai products are the reason he stayed in the industry. Now he works with his family on his team and could retire by the time he is 30.



Name: PAUL ENGEMANN Occupation: Entertainer, Interior Design Age: 51 Years in Network Marketing: 4 Years in Xoçai: 4 State of Residence: Utah, USA

Paul didn't join MXI Corp. for financial freedom. He joined for time freedom. After enjoying a successful recording career, Paul and his wife Suzanne started an interior design firm. He soon realized that his success was dependent on him physically "being there" to run the business. Having been with MXI Corp. since its pre-launch in 2005, Paul's enormous success is still dependent on hard work but he has been able to enjoy frequent vacations including a two-week trip to Peru. Not only did his income not suffer from the two-week sabbatical, but his check actually increased while he was gone.

# A TASTE OF XOÇAI

## FACT:

Xoçai's retention of new distributors in 2008 was an impressive 65.6%.

Historically, (from June '05 to January '08) Xoçai's retention rate has been an incredible 56.3%.

# 2 Fees and Expenses



#### **Executive Summary**

Fees and expenses should be considered a "sunk" cost toward the foundation of your business.

In contrast to the start-up costs of typical "brick and mortar" businesses, the fees and expenses associated with this type of business are minimal. Traditional expenses associated with purchasing and growing an average franchise range from tens of thousands of dollars into hundreds of thousands. However, with Xoçai the fees and expenses will typically be within fifteen hundred and five thousand dollars. Typical expenses include the following:

FEES (There are 3 ways to get started)

**1. The Basic Associate Package:** Package includes two boxes of Xoçai's patented, proprietary dark chocolate products, in addition to a starter kit, an extensive live "back office" subscription for one year (i.e. numerous tools to grow your business), a personal interactive Web site which motivates and trains you how to make your business successful, and a wholesale ID# which enables you to buy product wholesale.

\$282.00 (includes shipping and handling)

2. The Business Builder Associate Package: Package includes your choice of six boxes of Xoçai product. You also receive a starter kit, live back office subscription for one year, personal interactive Web site, and wholesale ID#. This option allows you to purchase more product up front (as inventory for your business) at the wholesale level. **3.** The Executive Fast Start Package:

Package includes your choice of 12 boxes of Xoçai product in addition to everything else you would receive from purchasing the lower levels. By making this ambitious investment, you immediately gain the rank of Executive, allowing you to earn additional commissions, namely the first level of Executive Matching Bonuses. Executive Bonuses are lucrative and coveted. These advantageous bonuses are reserved for the upper echelon of business-savvy individuals. You will be eligible for the Executive Back Office Communication Package and a starter kit, live back office subscription for one year, personal interactive Web site, and a wholesale ID# will be provided to you to help you start your business.

\$1,463.54 (includes shipping and handling)

#### **EXPENSES**

**Monthly Purchase Requirement:** After you have started your Xoçai business, your monthly commitment to receive ongoing commissions is simply to purchase a box of chocolate every four weeks. This requirement of either \$110 (one box of chocolate) or \$220 (two boxes) plus shipping in order to maintain an active distributorship is considered, by many, to be your ongoing business inventory overhead.

The following are other potential expenses typically associated with starting a Xoçai business:

- Web site: Approximately \$30/month for a more advanced marketing and recruiting site which is separate from the basic site offered with Xoçai's starter package (not required).
- Educational/Training Tools: Approximately \$150 to begin plus occasional costs as your business continues to build: flyers, brochures, business cards (not required).



Name: CONNIE HOLSTEIN Occupation: Real Estate, Banking Age: 45 Years in Network Marketing: 8 Years in Xoçai: 3 State of Residence: California, USA

Connie was a teacher of business law in high school and after seven years moved on to commercial real estate and spent 15 years making a lot of money—but having no free time. Through research she found network marketing and a good friend suggested she try MXI Corp. She learned about Healthy Chocolate and jumped on the Xoçai bandwagon. Now she's enjoying her time and money.

\$759.80 (includes shipping and handling)

 Travel, Meals and Event Admissions: Xoçai sponsors various national and regional events that provide training, education and support (not required).

Home Office: Typical costs of running a home office include phone and Internet expenses, furniture, computer, and miscellaneous supplies.

Depending on your activity level, any or all of the above expenses may be incurred. While none of these are mandatory for building a successful Xoçai business, experience shows that the most successful distributors are actively implementing most or all of the above activities.

## CONCLUSION

Although certain fees and expenses are optional, note that those who invest more readily into their businesses have had accelerated success. Certainly, each of the three investment options should be carefully examined in order to determine which level is appropriate. Choose the option that best fits your committment level.

## A TASTE OF XOÇAI

## FACT:

The average startup cost for a U.S. franchise is \$32,400.

The average network marketing start-up cost is \$765.

The average Xoçai distributor start-up cost is \$525.

# **3** Strategies



#### **Executive Summary**

The following techniques and strategies have been time-tested and proven to build longlasting business organizations. These strategies will help you build a business that not only provides income, but also satisfaction and personal growth as well.

of potential prospects is one of the basic starting points of any business venture. It is an easy and effective way to begin building a network (i.e. identifying your target market and partners). This list typically includes family members, friends, colleagues, coworkers, and others whom you know or whom the above named may know. Most effectively this is a series of small lists of influential, entrepreneurial and successful people in their own rights. It is crucial to target motivated people who will help your business grow instead of people you would like to help by offering a business venture. Creating good rapport with everyone you come in contact with will enhance your long-term success.

Prospect Identification: Creating a list

Sharing Product: Another effective way to interest others in your business is to give samples of your product for them to try. One must always balance placing an effective sample with handing out your entire product supply without any strategy.

**Events and Home Presentations:** Holding regular meetings and presentations-often in the setting of a home—is one of the best ways to introduce prospects to Xoçai.

#### **Conference Calls and TeleSeminars:**

Conference calls and seminars via the phone are a standard, effective way to help your prospects gain more insight into the business and become committed to joining. There are numerous calls already available for you to tap into. In addition, you can create your own teleseminars, which will help bring prospects directly into your organization.

3-Way Calls: Using a mentor (or your sponsor) to perform a 3-way call with your prospects is helpful in completing the commitment process. Your mentor will have honed the skills required to overcome objections, answer questions and effectively teach prospects regarding the business. Mentors/sponsors are a tremendous resource, and they are interested in helping you since your success only increases their success. 3-way calls are a skill that you need to become proficient at in order to build a successful business.

The 80/20 Rule: This rule states that approximately 20% of your associates will take the time and do the necessary work required to ascend their business to the point that it is profitable. The other 80% will most likely either only consume the products on a personal level for their health or build their businesses at a semiserious level. Consequently, focusing your efforts, time and energy on the welfare of the 20% group will greatly enhance their-and your-chances of succeeding, both in the short and long term.

Online Building: The Internet is an extremely powerful tool that can assist you in building a successful Xoçai business. Proven online business strategies include, but are not limited to, the following: E-mail marketing, list building, newsletter publishing/access,

### Percent of Sales by Sales Strategy According to the Direct Selling Association

Though direct sellers employ various strategies in building their business, the majority of success is achieved using person-to-person marketing practices.



(in followup to a prior face-to-face solicitation) 6.6%



Name: JANIELL AND ADRIAN VASHON Occupation: Entrepreneur, Real Estate, Professional Networker Age: 48/60 Years in Network Marketing: 20 Years in Xocai: 4 State of Residence: Arizona, USA

Janiell is a mother of five and after she put her youngest in school she filled her time with tennis and eventually opened her own shop. She later was introduced to network marketing and began working with MXI corp. Seven years ago Janiell married Adrian Vashon who was a successful real estate appraiser, but when the industry took a dive he started working with MXI Corp. as well. Together they have risen to the top with MXI Corp. They enjoy all the time they get to spend together and with their family.

free online tools (e-books, reports, etc.), blogging, user submission (Web 2.0 sites and services) and testimonials (your own and others in your organization).

## CONCLUSION

There is no need to "reinvent the wheel." Xoçai has streamlined the businessbuilding process for you. Staying consistent with your efforts will prove to be the most effective strategy. Be unique and original by adding your own "spin" on these proven strategies to increase the vitality of your business.

Other (mail catalogs, infomercials, etc.) 1.2%

# A TASTE OF XOÇAI

## FACT:

One of the fastest growing groups in Xocai has seen extraordinary growth by using home presentations, also called Chocolate Tastings. The efficacy is such that five out of ten guests who attend these home meetings eventually enroll in Xocai.

# **4** Time Investment



#### **Executive Summary**

The value of time can far surpass that of money. You will always have the opportunity to make more money; however, once your time has been spent, it is gone forever.

The following is what we know about time investments associated with this industry. Invest your time wisely. Seek ventures that have multiple benefits.

**Timeliness:** A business model comparable to that of Xocai takes a certain amount of time to develop and mature. It has never been, nor will it ever be, a "getrich-quick" scheme. It is a reciprocated business relationship; you get out only what you put in. One must work at this business each day in order to achieve notable success. The term "sweat equity" fits perfectly within the Xoçai model.

Persistance: As with any worthwhile financial investment, participants in this business model need to allow their new business at least one year's worth of committed effort in order to see the beginnings of their long-term results. It is crucial to set and maintain certain benchmarks on a continual basis. On average, most people will commit to work and learn new self-improvement skills for 3 years before feeling completely acclimated. During this learning and discovery period, you will notice that initially you will be spending more time working on building your business, developing new skills and gaining valuable experience than you are making a large monetary return on your investment.

Patience: Do not panic, as this is the typical development model. Flawless execution of consistency during this period, that simply needs to be weathered, will pay high dividends.

Cycles: The business "growth cycles" in direct sales and network marketing demonstrate that as your business grows, you will be spending less time actually working the business while at the same time making more of a significant financial return. If you are not seeing the results you desire or you feel it not a fit for you, simply find out what you are missing and make the appropriate adjustments.

**Endurance:** The chart on the opposite page illustrates how this concept works in real time. Without a true commitment, the average uneducated person will guit too soon. This pioneering stage is when one invests more time into their business while building equity and receiving limited Return On Investment (ROI). Unfortunately, some investors make the mistake of deserting the venture prior to receiving the full yield on their investment.

### PART-TIME INVOLVEMENT

#### Level 1. Marginally Committed (Those who want to earn approx. \$100 a month)

#### -Hours worked per week: less than 5

-Recruiting/Prospecting Phone Calls per week: less than 5 -Business Introductions (in person) per week: less than 5 -Product Introductions (in person) per week: less than 2 -Product Research and Industry Study per week: 10 minutes

#### Level 2. Semi-Seriously Committed (Those who want to earn approx. \$500 a month)

-Hours worked per week: 10-15 -Recruiting/Prospecting Phone Calls per week: 20 -Business Introductions (in person) per week: 20 -Product Introductions (in person) per week: 10

Level 3. Highly Committed (Those who want to earn approx. \$2,500 to \$5,000 a month)

## -Hours worked per week: 30+ -Recruiting/Prospecting Phone Calls per week: 40+ -Business Introductions (in person) per week: 40 -Product Introductions (in person) per week: 20 -Product Research and Industry Study per week: 60 minutes

#### FULL-TIME INVOLVEMENT

Level 1. Committed (Those who want to earn approx. \$10,000 a month)

-Hours worked per week: 40

-Recruiting/Prospecting Phone Calls per week: 100 -Business Introductions (in person) per week: 50 -Product Introductions (in person) per week: 25 -Product Research and Industry Study per week: 30 minutes

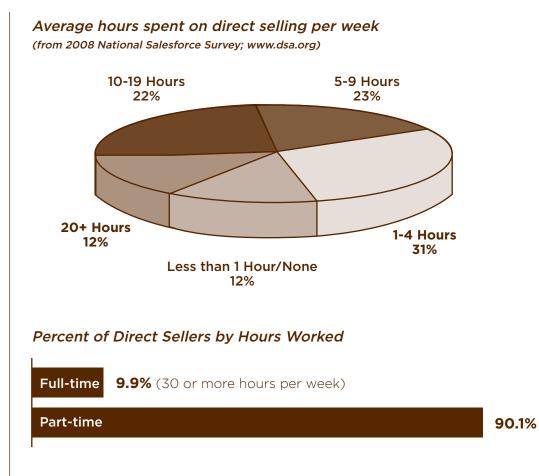
Level 2. Seriously Committed (Those who want to earn approx. \$25,000 a month)

-Hours worked per week: 50 -Recruiting/Prospecting Phone Calls per week: 150 -Business Introductions (in person) per week: 50 -Product Introductions (in person) per week: 25 -Product Research and Industry Study per week: 30 minutes

#### Level 3. Highly Committed (Those who want to earn approx. \$50,000+ a month)

-Hours worked per week: 60+ -Recruiting/Prospecting Phone Calls per week: 200+ -Business Introductions (in person) per week: 50 -Product Introductions (in person) per week: 25 -Product Research and Industry Study per week: 30 minutes

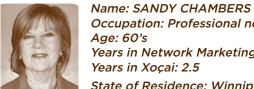
#### -Product Research and Industry Study per week: 30 minutes



### CONCLUSION

When you think of time as a commodity, make sure there is a purpose behind and all of your actions as investments, it everything you do. Your success will changes the way you approach everyday escalate substantially when your time is business decisions. We suggest that you properly allocated. not work simply to work, but that you

A TASTE OF XOCAI



Occupation: Professional networker Age: 60's Years in Network Marketing: 30 Years in Xocai: 2.5 State of Residence: Winnipeg, Manitoba, CANADA

Sandy has worked in network marketing for 20 years and was about to retire when her friends and business associates introduced her to MXI Corp. and she found chocolate! She joined MXI Corp. at the end of 2006 and says she is having the time of her life. She is now experiencing success, financial independence and chocolate!

# **5** Investment Services and Support

The following is a summary of the services provided by Xoçai to aid with your success:

Corporate Conference Calls: These are weekly calls that take place each Monday and Saturday that feature corporate officers, scientific consultants and top field leaders assessing the state of the company, illuminating the benefits of Xoçai products and expounding on how to effectively build a Xoçai independent distributorship. They also discuss the current challenges facing distributors and the corresponding solutions. In addition to conference calls, there are many calls in which distributors may participate that provide education and training regarding the development of a Xocai distributorship. There are daily business building and mentoring calls availablemost are also archived or on demand.

Distributor Web site: Each distributor will receive a Web site to support their business. This Web site has the official Xoçai template, but may be modified to fit a distributor's individual needs. This Web site is an effective marketing tool and has many interesting features unique to Xoçai.

• Folder

- Company Contact Sheet Company Overview Booklet • Product Catalog • Quick-start Guide • Perfect Combination DVD • MXI Comp Plan Explained DVD Resource CD
- Tools Coupon

Xoçai Web site: The official corporate Web site allows independent distributors access to live "back office" content that offers company news, product information, training and detailed support. There is literally thousands of hours of content all tailored to the challenges and needs of any distributor regardless of their success or time involved with the company. The majority of this content has been produced by representatives just like you, who have started from scratch and found a way to strategically build a successful network.

New Distributor Kit: This kit, which is free to all new distributors, contains various tools and training pieces designed to help the new distributor maximize their Xoçai business. The kit contains the following:



#### **Executive Summary**

Xoçai is committed to your success and provides an abundance of detailed services geared toward supporting independent distributors, including training, personal development, community, education, diverse experience and more.

### FACT:

• There are several inspiring conference calls a week you can participate in to receive the latest company training, education and news.

Go to mxicorp.com for details.

Monday Night Live! 6:30pm PT 877-366-0711 pass code: 69035258#

Quick-Start Training Monday, 6:00pm PT 877-366-0711 pass code: 69035258#

Introduction to Xocai Tuesday, 6:30pm PT 877-366-0711 pass code: 69035258#

Introduction to Xoçai Thursday, 6:30pm PT

877-366-0711 pass code: 69035258#

### FACT:

Astoundingly, the investment in the corporate Web site is more than 9 million dollars.

Events: Xoçai sponsors several events throughout the year, including regional, national and international meetings. These events provide further training, education, motivation, networking and support opportunities for independent distributors.

#### CONCLUSION

The use of these services will facilitate consistent growthin your business. Although you will be in business for yourself, you will not be in business by yourself. Success will germinate through taking full advantage of everything that Xoçai has to offer.

## A TASTE OF XOÇAI



with grandkids.

Name: BUTCH and CAROLYN SWABY **Occupation: Entrepreneur, Small Business Owners** Age: 62, 61 Years in Network Marketing: 18 Years in Xocai: 3 State of Residence: Tennessee, USA

Butch and Carolyn have always owned their own businesses over the years and found success in their varied careers until a few years ago, they had a crash. They were 60 years old and were scared to be starting from scratch since they never really had a traditional job. Then in 2006 they were introduced to MXI Corp. and immediately signed up and started taking the products. Within two weeks they were losing weight and had more energy and couldn't wait to tell people about their success. Now they enjoy a six-figure income and their new freedom to play disc golf and spend time

# 6 Industry Histories and Backgrounds

### BACKGROUND OF DIRECT SALES INDUSTRY

The direct sales industry has withstood the test of time. Having existed for thousands of years, direct sellers have transcended every economic storm in every civilization. Throughout recorded history, the role of merchants, peddlers, and traders—all of whom sold their goods and traded directly to consumers-is well known. They are part of an ancient and ongoing tradition stemming from man's basic need to exchange goods and communicate.

As different types of direct sellers emigrated from Europe. Africa and Asia to America, direct selling experienced unrivaled growth and development. The advent of the "home demonstrations" and other innovations has allowed direct sellers access to consumers like never before. Today, at the beginning of the 21st century, the consumer still benefits from a personal and convenient way of purchasing desired, higher-quality products. Today, with the growth of the Internet, Direct Sellers capture a worldwide customer base like never

before. In short, the direct sales industry continues to advance (1) offering a legitimate, viable and rewarding model to improve the quality of life, (2) developing new income streams and (3) enhancing the lifestyle of those who participate in it.

## BACKGROUND OF HEALTH/WELLNESS INDUSTRY

The idea of "wellness" dates back millennia. Cultures around the world have constantly sought enhanced wellbeing in the form of physical, emotional and mental health. However, wellness as an "industry" is a relatively new endeavor. Whereas our health care has more to do with treating symptoms of existing illness, the health and wellness industries are aimed at (1) disease prevention, (2) optimized health, and (3) improving overall quality of life.

Spurred by the aging "baby boomer" population, the Health and Wellness Industries(whichincorporatesupplements, health foods, "complementary" health practices, yoga, etc.) have exploded and continue to aggressively expand at a remarkable pace.



### **Executive Summary**

The information provided in this section demonstrates the viability of this business model

The efficient nature of the Direct-Sales Business Model, combined with the holistic health benefits of the Health and Wellness Industry, create a veritable "recipe for success."

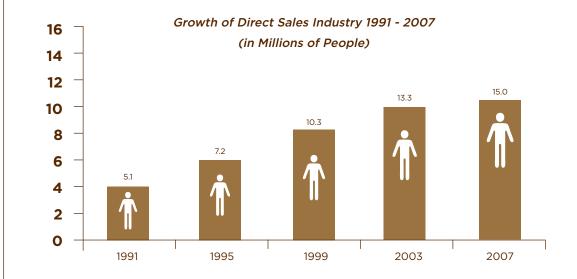
Because Xoçai's distribution model is Industry, Xoçaiis well positioned to experience centered on direct sales, and its healthy exponential growth and momentum for a chocolate products have created a unique significant number of years. subcategory within the Health and Wellness

#### Direct Sales Industry Growth 1991 - 2007

The Direct Sales Industry continues its consistent growth both in terms of sales and number of representatives/personnel.

(in Billions of Dollars) \$35 \$30.80 \$29.55 \$30 \$24.54 \$25 \$20 \$17.94 \$ \$15 \$12.96 S \$10 \$ \$5 **\$0** 1991 2007 1995 1999 2003

Growth of Direct Sales Industry 1991 - 2007



### TOP BUSINESS LEADERS EMBRACE DIRECT SALES INDUSTRY

The Direct Sales Industry has experienced tremendous growth over the last three decades. Despite it being somewhat misunderstood by the general public, the industry has been embraced and recognized by respected business icons as a viable and legitimate business model for product and service distribution. These renowned leaders include:

- Donald Trump
- Warren Buffett
- Robert Kiyosaki
- Bill Clinton

"Network Marketing [Direct Sales] has proven to be a viable and rewarding source of income." -Donald Trump, Why We Want You to Be Rich

"Americans from every walk of life can seize the opportunity of Direct Sales." - Bill Clinton, Former U.S. President

"If you really want to learn to be rich, you must begin to understand the power found in networks. The richest people in the world build networks." -Robert Kiyosaki, On the concept of direct sales/network marketing

# CONCLUSION

The solidifying of business rules and regulations over the last several decades, coupled with both proactive governmental monitoring and comparable industry policies and procedures, proves that this industry is on par with other viable business models.



Name: JUDY and IAN MURRAY **Occupation: Nutritionist, Professional Networkers** Age: middle 50's Years in Network Marketing: 21 years Years in Xocai: 2 Country of Residence: Ontario, CANADA

Judy and Ian are both network marketing veterans but had given up their successful network marketing businesses after becoming disheartened in their sponsoring companies. After several years in traditional jobs they realized their heart wasn't in it and decided to give network marketing one more try. They made a checklist of requirements that the new company would have to meet before they would join. Then in 2006, they were introduced to MXI Corp. and they were able to cross off each item on their list. They are currently the sixth-highest income earners for MXI Corp. and regard their association with MXI Corp. as one of their best business and life decisions ever.

# A TASTE OF XOÇAI

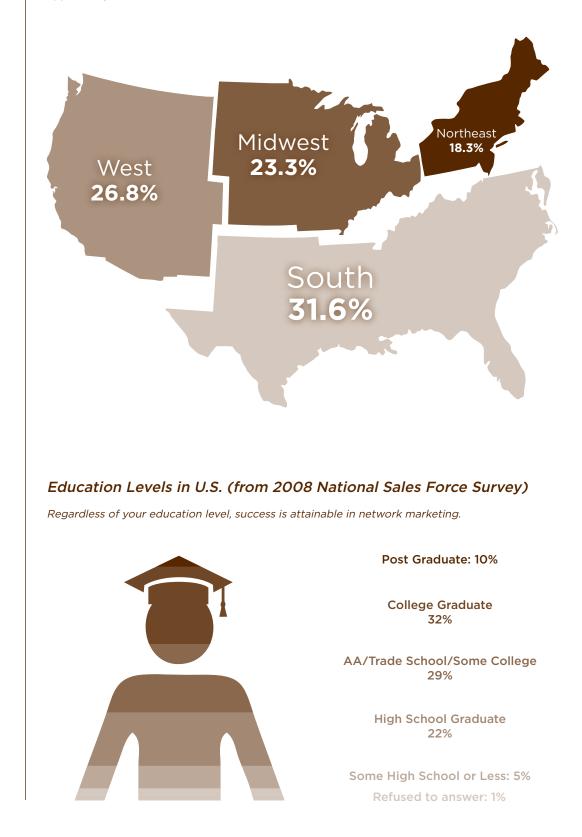
# FACT:

The Direct Sales Industry is a \$30.8 billion industry in the United States.

The Direct Sales Industry is a \$110 billion worldwide industry.

### Percent of Sales by Census Region

Because the direct sales industry is evenly spread over every geographic region, there is equal opportunity for success.



# **7** By the Numbers

## DIRECT SALES/ NETWORK MARKETING

The Direct Sales and Network Marketing Industries have existed for 75 years, during which time they have experienced tremendous growth. Additionally, in the last decade, new innovations in compensations, products, distributions and technologies have made Direct Sales and Network Marketing ventures more simplified and attractive than ever.

- Sixty-one percent of Americans say they now prefer to be their own **bosses**. (2008 Gallup Poll)
- More than one in six U.S. households includes a home-based business. (Office of Advocacy, Small Business USA)
- · About 12 million home-based busi**nesses exist**, generating approximately 10% of the nation's economic receipts. (Muhammad Yunus, 2006 Nobel Peace Prize winner)
- Entrepreneurs create more than half of the new jobs in America. They define our new economy worldwide. (Paul Zane Pilzer, economist)

# HEALTH/WELLNESS INDUSTRY

Specifically, the Wellness Industry has witnessed phenomenal success over the last few decades, and continues to expand significantly every year. The following numbers provide a glimpse at both the need for wellness products and services and the flourishing growth within the industry.

• Sixty-seven percent of Americans think about quitting their jobs on a regular basis. (2008 Decipher Study, Fresno, CA)

• Average Household Net Worth (2001) - Employee \$225,000 - Self-Employed \$1.3 million

• 78 million baby boomers are now reaching retirement age, yet they're realizing they can't afford to retire. What's more is that they don't want to retire.

• Overwhelmingly, about 1 million Americans go through some sort of job change or loss every month. (Success Magazine, 2008)



### **Executive Summary**

The following statistics quantify the viability of this industry.

By comparing these facts with other business opportunity data, one can demonstrate that the emerging trends toward success in this business model are dramatically multiplying.

## FACT:

Xoçai's sales in 2007 were approximately \$25 million.

In 2008, sales exceeded \$54 million—a 220% increase.

Xocai's projected sales in 2009 are \$100 million.

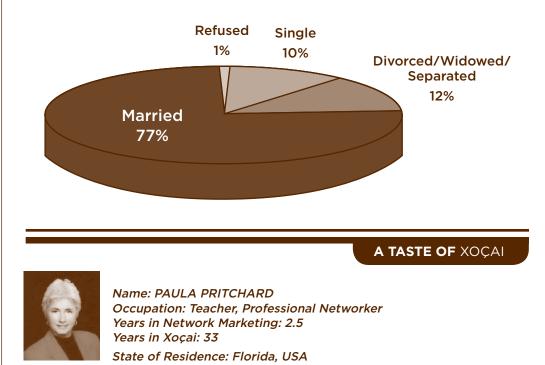
- One-third of all American adults is now **classified as obese**—that is more than double the rate in 1980.
- So-called "lifestyle" or "degenerative diseases" comprise the top four causes of death in America.
- In 2008, approximately 38 percent of U.S. adults reported using some form of complementary or alternative medicine.
- · In 2002, wellness in America was a \$200 billion industry. Experts predict it will reach about \$1 trillion by 2010. (Paul Zane Pilzer, economist)
- Health food and supplement sales were about \$79 billion in 2005. (National Marketing Institute)

- Medical costs alone to treat diabetes exceed \$100 billion yearly.
- "Comparatively, the health and wellness industry's growth is quite remarkable, and based on history it appears that these trends have staying power." (Steve French, NMI Managing Partner)

#### CONCLUSION

The data is conclusive that many people are joining this home-based business revolution. Not only are they having fun doing so, but many are finding financial success, emotional stability and a renewed sense of community. A revamped sense of optimism and confidence prevails within this industry.

#### Marital Status of Network Marketers (from 2008 National Salesforce Survey)



More than twenty years ago Paula lived on a modest teacher's salary. Since then she has become financially independent doing exactly what she loves-teaching. This time around she's teaching others to get out of debt and become financially independent for themselves, all the while indulging in the most delicious of healthy dark chocolates-Xocai.

# 8 Competitive Advantages

A Xoçai business offers many competitive advantages over a traditional start-up business or franchise.

## TIMING

Entering a new industry or starting a new business at the right time is the key to the success of that business. Within the Wellness and Network Marketing Industries, it is no different. Industry experts point to various factors indicating that a business based around healthy chocolate products and a directsales model is poised for extensive growth. Consider the following factors:

- Increased popularity. Chocolate is extremely popular, and its popularity continues to grow. Sales of dark chocolate were up 40% in 2007 and another 42% in 2008.
- Newsworthy. Chocolate and its health benefits are a prevalent topic in the news media.
- Scientific Support. Chocolate now enjoys an impressive body of scientific research supporting its health benefits.

• Industry Giants. As discussed, both the Wellness and Network Marketing Industries are predicted to experience significant double-digit growth over the next decade. When these factors are united, as is the case with Xocai, it is safe to deduce that the returns will be significant.

#### SCIENCE

Dozens of studies show that dark chocolate possesses a variety of healthpromoting properties. To illustrate this point, all you need to do is perform a Web search on "healthy chocolate." Primarily, all natural dark chocolate is rich in several classes of polyphenols, which are powerful antioxidants. Science suggests that healthy dark chocolate products, such as those found in Xoçai's product family, may protect the cardiovascular system, brain, GI tract and skin, in addition to being helpful in controlling inflammation.

Additionally, studies are currently being conducted at the University of Utah on Xoçai products specifically.



### **Executive Summary**

In the business world, "not all that glitters is gold." It is possible to be in the right place at the wrong time.

These Competitive Advantages demonstrate that Xoçai is the right place and now is the right time.

### PRODUCT

**Innovation:** Xoçai is the ingenious creator of healthy chocolate products, and continues to lead the "healthy chocolate revolution." It premiered as the first company to bring to market unique, high-grade dark chocolate that maintains a delicious taste while preserving the healthy aspects of the cacao plant.

Xocai's products are formulated around a premium-grade cacao. Xoçai utilizes a unique, patented "cold-processing" method that further preserves the antioxidant content of cacao. Most commercial chocolate products have chocolate that has been heated, thereby destroying much of the antioxidant content. It is this proprietary processing method that sets Xoçai apart from any other chocolate product.

Xoçai's products use no artificial ingredients, retain the benefits of natural cocoa butter, and use natural sweeteners in place of high-fructose corn syrup or other less healthy refined sweetening agents.

Moreover, Xoçai's products also feature the health-promoting properties of the açai and blueberry superfruits, as well as omega-3 fats and probiotics.

### STRATEGIC PARTNERSHIP

Xoçai has an exclusive partnership with the manufacturer of its products. This manufacturer holds a patent on the cold-processing method used to create Xocai's chocolate.

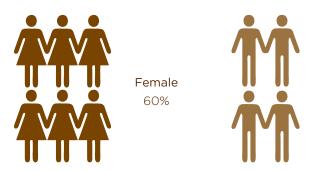
### COMPANY RECORD AND POSITION

Various factors set Xocai apart as a company optimally positioned to experience significant growth in the near future:

- Proven Track Record. Xoçai was established by the founders of Pure De-Lite Products, a leading distributor of low-carb, sugar-free chocolate products that achieved an impressive \$300 million in retail sales.
- Previous Growth. Xoçai has already experienced tremendous growth since 2005. Sales for 2008 are expected to double those of 2007.
- First to Market. Xoçai is the category creator of healthy chocolate products. Its products were the "first to market" and Xocai retains its exclusive position as the leader of the "healthy chocolate revolution."
- Qualified Management. Xocai's acclaimed Executive Team possesses decades of experience in building ultra-successful organizations.
- Industry-Leading Retention. Xoçai's retention rates—which are over 50% are among the highest in the Network Marketing Industry.
- Low Start-up Costs. The expenses associated with creating a Xoçai business are quite low. These costs range from hundreds of dollars up to several thousands of dollars.
- Corporate Infrastructure. Network Marketing Companies, like Xoçai, are designed to carry the burden of traditional corporate departments such as accounting, product research and development, customer service, shipping/receiving, etc. As an independent distributor, you will acquire a top-grade product line and corporate support for your business without directly bearing any of those costs like you would in other businesses.

- No Employees. Every prospect that you enroll is not your employee-but rather they are their own boss, just like you. The financial benefits of not having employees are significant.
- Home-Based Business. In addition to enjoying the traditional benefits of working from home, new technologies now allow home-based business owners to work on the road with virtually no downside. Consequently, most functions and activities that

#### Percent of Xoçai Participants by Gender\*





Name: JEREMY REYNOLDS **Occupation: Powder Nutrition Manufacturer** Age: 36 Years in Network Marketing: 4 Years in Xocai: 4 State of Residence: Utah, USA

Jeremy started his professional life answering phones for a nutritional company. His hard work and determination brought him to start his own nutritional manufacturing company where he eventually met up with MXI Corp. founders Jeanette and Andrew Brooks. Jeremy has been the founding distributor of MXI since mid-2005 and couldn't be happier with his success, both financially and that of helping others achieve their dreams.

have typically been performed at the "home office" can now be performed at hotels, restaurants, convention centers-and even on the beach or other vacation destinations.

# CONCLUSION

Although there are significant competitive advantages to the Networking Industry, the data truly demonstrates that this business model is not so different from any other.

### Male 40%

A TASTE OF XOÇAI

### FACT:

Xoçai products are undergoing clinical research at the University of Utah. The studies are headed by Dr. Eliot Brinton of the Department of Cardiovascular Genetics.



#### **Executive Summary**

With thousands of investments. to choose from, all of which tout fantastic benefits and advantages, it is important to focus on ROI (Return On Investment). Your time and efforts are valuable and you should be compensated accordingly. The following are factors one should use to determine whether Xoçai is a correct fit.

# 9 Return on Investment

(How Do I Create Income with Xocai?)

## **XOCAI COMPENSATION PLAN**

Xoçai views its Associates as invaluable business partners. For this reason, Xoçai rewards them with one of the top 3 most generous compensation plans in the Direct Sales Industry.

Xocai offers a brilliant hybrid compensation plan that features a combination of the best of traditional Binary and Unilevel Plans. This plan utilizes several proprietary elements and multifaceted bonus programs that allow for both good short-term earnings and sustained long-term residual income, as well as significant earning potential in company-wide profit sharing bonus pools.

Check Matches. With Xoçai's "Executive Generation Bonus," you will receive "check

matches" from the company on successful members of your organization.

Referral Check. Called the "Quick Check," this bonus allows you to receive up to \$150 for every business referral.

Team Commissions. Earn a 10% commission on the organizations volume. This is called the "Infinity Bonus."

Profit Sharing. Earn a commission up to 4% of the company's weekly sales through its "Bonus Pools" Program.

### CONCLUSION

Cost savings are more significant in a home-based business model like that of Xocai.

### A TASTE OF XOÇAI



Name: GLEN OVERTON Occupation: Hotel Management, Entrepreneur Age: 64 Years in Network Marketing: 4 Years in Xocai: 4 State of Residence: Utah, USA

Glen was introduced to MXI Corp. by his son, Jared. Glen says, "I have been an entrepreneur for the last 30 years, and this is undoubtedly one of the best business investments I have ever made in my life." He enjoys working with his family and they have set a 4-year plan, rather than the common 40-year plan.

# **10** Investment Benefits

Besides its lucrative compensation model, the Xoçai business venture also provides additional investment benefits in order to ensure uninhibited success of your Xoçai business.

#### TAX BENEFITS

There is a bounty of tax benefits associated with establishing a homebased business like Xoçai. The following section describes such benefits, and provides an adequate overview demonstrating that the potential tax deductions and tax savings associated with a Xoçai business are significant:

- First-Year Expenses: This is a tax write-off allowed for the purchase of equipment used in your business. This deduction takes the place of depreciation. First-year expensing may be claimed when you pay for an item with cash or credit, and offers a way to claim the expense in its entirety up front, rather than waiting for the property to depreciate over the years.
- Automotive Deductions: Vehicle expenses can be considerable for

many home-based business owners. Being able to deduct many or all of these expenses poses a significant benefit for home business owners. The potential deductions of using your automobiles in your business include:

- repairs
- depreciation of automobile - leases

• Home Office Deductions: Having to purchase home office supplies, such as computers, printers, furniture, phone and Internet use, and so forth, is often another reason people fear creating their own business. However, if these items are being used exclusively for your business, their costs may be deducted. Consequently, you are able to own and use all varieties of office supplies and services without paying for the majority of them.

- property taxes
- registration fees
- fuel costs/mileage

#### Travel and Entertainment Deductions:

As a Xoçai business owner, you may be involved in traveling (to events, meetings, etc.) as well as seminars

that involve entertainment and meals (e.g. lunch meetings). By and large, most costs related to meals, travel and entertainment associated with business purposes are deductible. Education expenses dealing with your line of work are also deemed deductible.

- Miscellaneous Deductions: There are various other potential deductions associated with owning and operating a home-based business. These include, but are not limited to the following:
  - a portion of your mortgage payment or rent
  - a portion of homeowner's insurance costs
  - a portion of utility and heating bills
  - phone, Internet and home security costs
  - business liability insurance costs
  - health insurance and medical savings accounts
  - retirement plans for the selfemployed

With all of these categories, there are restrictions, rules and guidelines that govern deductions applicable to your business.

For a more complete guide to the tax benefits available to Xocai business owners, see the "Taxes Made Easy" series, available from chocolatebiztools.com, or consult with a qualified accountant or tax professional.

### FINANCIAL INDEPENDENCE

Consumer debt is a tremendous problem in the United States. Over 40 percent of American families spend more than they actually earn, and the average American family carries \$8,400 in credit card or other debt from month to month.

The majority of credit card holders pay only the minimum monthly payment. For instance, paying only the minimum on a \$2,000 credit card at 18% interest could take 30 years to pay off and cost an additional \$5,000.

Directly related to the oversized consumer debt problem is the outrageous number of bankruptcies. However, many experts feel that boosting your income by as little as \$200 to \$300 a month could help the majority of bankruptcy filers avoid bankruptcy. Consequently, a small homebased business, such as those possible through Xocai, offers a simple and minimal-risk opportunity to relieve credit card and other consumer debt burdens.

In addition, those who choose to grow their network marketing businessperhaps even doing it full-time-may build a significant income stream that will not only pay off debt, but may allow for possible early retirement, additional disposable income, and the financial flexibility to achieve true fiscal independence.

#### LIFESTYLE FLEXIBILITY

Those individuals who are employees of companies are generally beholden to the time and schedule requirements put forth by their employers. In fact, 49% of employees regularly put in more than 40 hours of work each week. Add to that time commuting and business trips and it adds up to a substantial portion of one's time.

However, with a Xoçai business, it is possible to have an extremely flexible schedule and lifestyle. Distributors can work "smart" by determining their hours, what their schedule will be, and how to arrange their work time around family and personal needs.

Because two-income households are becoming more and more of a necessity, the ability of a parent to still be at home while earning an income stream is extremely important and attractive. In addition, the ability to choose when and for how long to vacation is another reason why a Xoçai network marketing opportunity can be so attractive.

Many involved in network marketingincluding Xoçai distributors-feel that participating in Xocai gives ownership to one of their most valuable assets: time.

### **RETIREMENT SAVINGS**

The average American will receive only 37 percent of the annual retirement income



Name: ADAM and MELANNIE GREEN **Occupation: Liquid Contract Manufacturer** Age: 40 Years in Network Marketing: 4 Years in Xocai: 4 State of Residence: Utah, USA

Adam is one of the original 11 distributors at the very first healthy chocolate meeting. He learned about the business through his friend Jeremy Reynolds, MXI Founding Distributor. Adam and his wife, Melannie, became distributors in June 2005. In the first six months they reached the highest level of the company. They have been among the top 10 money earners since MXI Corp. opened its doors and are presently the third most productive earners. Adam says, "It's the most amazing thing to see people get the health benefits of the products and to make money at the same time."

they will need to retire comfortably. For instance, the average Social Security benefit in 2004 was a mere \$954 a month. In fact, many government research findings suggest that as high as 90 percent of retirement-aged Americans can't afford to maintain the lifestyle they had while working and may be financially dependent on the government, their family or a charity. Obviously, income from a home-based business such as Xoçai may provide necessary funds to build a nest egg that will allow for a comfortable retirement.

## FACT:

Cash savings for an average selfemployed individual through tax savings and other benefits is approximately \$10,000, according to the Government Accountability Office.

## A TASTE OF XOÇAI

#### DISTRIBUTOR RETENTION

Xocai's retention of distributors is significantly higher than the industry average. In 2008, retention was over 65%, while the industry average was 30% in the U.S., according to the Direct Selling Association. One reason for Xoçai's high retention rate is that their products are of such high quality. Xocai also attracts many

#### AVERAGE XOÇAI CHECK

Average Xoçai Associate Weekly Earnings: **\$229.88/week** Average Xoçai Associate Monthly Earnings: \$919.52/month

# 2008 COMMISSIONS: \$27,428,082 (50% of sales)

#### **RISK AND REWARDS**

It is interesting that although Xocai is a

relatively new company (4 years old in June

2009) they have produced, per capita,

an amazingly high number of millionaire

members (i.e. distributorships that have

earned \$1,000,000 or more in income). To

date, there are seven (7) people that have

earned over \$1,000,000 with this company.

It should also be noted that Xocai's

distributor success is unparalleled when

compared to the results of other top

rated Network Marketing / Direct Selling

companies. These financial earnings

demonstrate the power of Xocai's

results-based payout schedule. By

comparison, it took a popular scrapbook

company nearly 20 years to realize their

first millionaire earner. Here are some

income facts\*:

There is 1 individual who has earned more than: **\$2,000,000** 

between

between:

There are 14 distributors that have earned between: \$250,000 and \$500,000

There are 31 representatives that have earned between: \$100,000 and \$250,000

# Do you see an opportunity in the making?

# **11** Financial Highlights

As indicated, Xoçai has experienced substantial growth since its inception in 2006. By all major indications, the company will continue this growth trend into the forseeable future. The following are highlights of Xoçai's financial status and provide an overview of its current financial position.

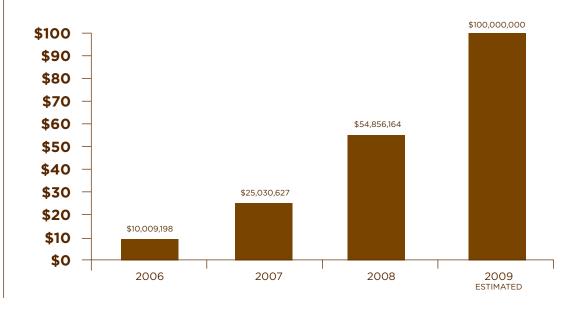
### COMPANY GROWTH

The following chart illustrates Xoçai's growth in sales since its launch. Sales in 2008 increased 220% from the prior year, and are expected to nearly double again in 2009.

# Xocai's Growth

(in Millions of Dollars)

Xoçai's projected 2009 sales are nearly 10 times those of its first year (only 3 years prior).



product consumers who want to continue to consume their products long into the foreseeable future.

# FINANCIAL STABILITY

In conjunction with its tremendous sales growth, Xoçai is debt free; which is an accurate indicator of a company's stability and long-term outlook.

There are 6 distributors that have earned between:

# 1,000,000 and \$2,000,000

There is 1 representative that has earned

# \$750,000 and \$1,000,000

There are 6 individuals that have earned

### \$500,000 and \$750,000

# FACT:

Xoçai grew by more than 220% in 2008

\*The income statistics reported in this booklet are based on the individual efforts of Xoçai Distributors and are not typical of what you can expect. Business success varies widely according to market conditions and the time and effort devoted.

### A TASTE OF XOÇAI



Name: FELIX GUDINO **Occupation: Insurance Company Owner** Age: 47 Years in Network Marketing: 14 Years in Xoçai: 3 State of Residence: Oregon, USA

Prior to being involved with Xocai, I had my own insurance agency. I believed that owning my own business would let me have control of my life, but that was simply not the case. I ended up having less time, more pressure, and long work hours. I had all the responsibilities that come with running a business, and no freedom. Then I learned about a company called Xocai. I did some research, and I was amazed at the amount of information I found. I soon realized that Xocai had it all - the timing, the product, and the company to make it work. I took action and became a distributor. The success we have had is wonderful. I have made more money per month in chocolate than I ever did in insurance. And now, not only do I make a good income, but also others on my team are making money. What an opportunity!

# 12 Xoçai Stories



Name: JJ BIRDEN **Occupation: Professional Football Player** Age: 43 Years in Network Marketing: 2.5 Years in Xocai: 2 State of Residence: Oregon, USA

Never in a million years did I believe that I would play nine years in the NFL, become an owner of three companies, and then sell each of those companies one by one to become a full time distributor of Xocai healthy chocolate. This has been one of the more sound business decisions I have ever made. I am looking forward to the day when I can say I am earning more sharing healthy chocolate than I did as a professional athlete. I know that day is coming.



Name: BRET ENGEMANN Occupation: Land Development, Entrepreneur Age: 31 Years in Network Marketing: 4 Years in Xoçai: 4 State of Residence: Utah, USA

Bret is a former quarterback for the Oakland Raiders but decided to drop his successful career in the limelight to sniff out something new: Healthy Chocolate. Bret says he's making more money than he was in the NFL and he doesn't have to get beat up every day or spend months away from home. He got off to a slow start, Bret says, but he stuck to the tactics he knew best. Only three people showed up to the first meeting he held but eventually about 100 people streamed into Bret's house every week. Now his career as a professional athlete is just a memory, except when he throws the football for fun with his family.



Name: SHAWN AND LAURA GREGORY Occupation: Bar Owners Age: 40/29 Years in Network Marketing: 9 Years in Xoçai: 2 State of Residence: Oregon, USA

Shawn and Laura owned a bar and restaurant when approached by a Xocai distributor who was installing the Direct TV system into their bar. At first Shawn wasn't interested and thought "been there, done that. Not for me."

After realizing that they were not happy with the lack of time, freedom and income from their business, they took a serious look at Xoçai. After six months working the Xoçai Business they sold their bar/restaurant and have never looked back. "We have more time, freedom and income than we ever thought would be possible and most of all we are truly happy and live our lives the way we want to." Thank you MXI Corp.



Name: ED and NORETTE MASON Occupation: Retired Postal Supervisor Aae: 59 Years in Network Marketing: 3 Years in Xoçai: 2 State of Residence: Indiana, USA

Ed is a former manager for the U.S. Postal Service and spent 30 years dealing with disgruntled customers. Needing a change of pace, Ed attended a Healthy Chocolate meeting and started selling for MXI Corp. His wife thought he was just selling candy and couldn't believe that it was truly healthy. Finally she was converted after two weeks of regularly eating the Xocai Omega Squares. Now they are partners and enjoy working together and the success of their partnership.



Name: CHRIS OVERTON **Occupation: Hotel Management** Aae: 39 Years in Network Marketing: 4 Years in Xocai: 4 State of Residence: Utah. USA

Chris has pursued his career in MXI Corp. alongside his brother, Jared, and his father, Glen. Chris says, "It has been truly rewarding to have the support of my dad, Glen, and my brother, Jared, and to experience the success of building the business as a family." He loves that MXI Corp. allows them to work together as a team and benefit as a whole.



Name: RICK SHOCKLEY Occupation: Insurance Age: 55 Years in Network Marketing: 3 Years in Xoçai: 3 State of Residence: Arkansas, USA

Rick was an insurance salesman and was introduced to the MXI business only about 24 hours before he became an Associate. He quickly noticed the effects the Xoçai chocolate had on him and wanted to be involved immediately. Rick says, "It's the biggest no-brainer I've ever had my hands on."



Name: SHERM and RUTH SMITH Occupation: Aerospace and Engineering Management (Retired) Age: 70 Years in Network Marketing: 3 Years in Xocai: 3 State of Residence: Indiana, USA

About three years ago Sherm began looking for a way to supplement his income and was introduced to the Healthy Chocolate business in casual conversation. He talked to his wife, Ruth, who has an interest in fitness and health. When she heard about the dark chocolate she urged him to find out more. They enrolled as Associates in MXI Corp. in July 2006. Sherm, who had never worked in network marketing before, was satisfied at the growth of his business after he signed a few hundred people in his group in the first few months. Now they have over 5,000 people on their team.