



Celebrating Over 28 Years of Manufacturing Environmentally-Friendly Natural Products

NEWSLETTER

As the New Year begins, we at **Miracle II** wish each of you a year of good health and prosperity. For over 28 years, we have manufactured the finest, natural soap products in the world, and dealt with the everyday challenges we all face in owning and operating a business, such as economic changes, rising costs of goods and services, government regulation, and increased taxes and fees, to name only a few. Through it all, we have been blessed with the privilege of knowing that our products have helped untold thousands enjoy better health and a higher quality of life, and that more people are finding and using our products, thanks to the dedication and hard work of you, our loyal customers.

Our Continuing Commitment to Our Customers

As part of our continuing commitment to provide our customers the best natural soap products, we make every effort to insure that consumers looking to purchase our **Miracle II** products are not being sold other products that are falsely labeled and sold as **Miracle II** products. As you are aware, the **Miracle II** logo and the trade dress (design) which appear on our company's products, advertisements and promotional materials are the exclusive property of our company. While we have gladly permitted each of our customers to use the logo and trade dress as part of advertisements and promotional materials in connection with the resell of our **Miracle II** products, the **Miracle II** logo and trade dress is *not* licensed to any other company or person, and cannot be legally used or reproduced for any other purposes. Our company is the only entity authorized to produce and use product labels which contain this logo and trade dress, and only we are authorized to bottle **Miracle II** products and label them as **Miracle II** products. Resellers of our authentic **Miracle II** products are *not* authorized to produce, repackage or label any product bearing the **Miracle II** logo and/or trade dress, and may only resell *authentic **Miracle II** product that has been produced, packaged, labeled and sealed by our company.* Any **Miracle II** product that has been repackaged by any company or person other than our company is **counterfeit product**. Any product that claims to be **Miracle II** product that has been packaged and/or labeled as **Miracle II** product by any company or person other than our company is **counterfeit product**.

Our Anti-Counterfeiting Program

Because counterfeiting of products has become a serious threat to both consumers and sellers of our products, and because our products have been counterfeited in the past, we initiated an anti-counterfeiting program specifically aimed at detecting and eliminating counterfeit products that are *illegally labeled and sold* as **Miracle II** products, and at prosecuting the persons responsible



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for this counterfeiting to fullest extent of the applicable civil and criminal laws. Our approach is three-pronged: (a) coordinated use and proactive protection of the unique **Miracle II** logo and trade dress of our product labels, as well as our copyrighted materials; (b) constant monitoring of the marketplace for unauthorized use of the **Miracle II** logo, trade dress and copyrighted materials; and (c) regular surveillance of the local, national and global marketplaces to locate counterfeit **Miracle II** products being advertised and sold under the **Miracle II** name.

Revision of Our Miracle II Product Labels

As a key component of our coordinated use and proactive protection of the unique **Miracle II** logo and trade dress of our product labels, as well as our copyrighted materials, we have revised the product labels for each of our **Miracle II** products.

Updated Look

These updated labels feature the same **Miracle II** logo as appears on this newsletter, incorporated into labeling that features photo-quality backgrounds, as well as enhanced colors and fonts, specifically designed for each **Miracle II** product, and will be placed into service in two stages.

New Look – Same Products

Please note that only our product labeling is being changed! Our products themselves remain unchanged – as they have for the past 28 years! They are still the same, fine products we have consistently manufactured during our more than 28 years in business!

Addition of UPC

As part of this label revision, we have incorporated a unique UPC for each of our **Miracle II** products. This UPC will be of great benefit to our customers seeking to expand sales to retail outlets and corporate accounts since our products can now be entered into the “product database” used with electronic checkout systems or “scanners” to eliminate the need for manual input.

Shipping of Product with New Labels

The revised labels for **Miracle II** products in gallon and 22-ounce containers are being placed into use this month, and will appear in orders that are filled during and after the third week of this month, January 2011. The revised labels for **Miracle II** products in 8-ounce containers will be placed into service in the near future to complete implementation of our label revision.



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Our Monitoring and Surveillance Program Resulted in Seizure of Counterfeit Products in 2010

Our monitoring and surveillance of the marketplaces in 2010 lead to the identification and seizure of a large amount of counterfeit products falsely labeled as **Miracle II** soap products. These counterfeit products were being prepared, labeled and sold by **NCP Miracle II, Inc.**, a North Carolina company. **NCP Miracle II, Inc.** is not, and has never been, part of our company, or a manufacturer of our Miracle II products. **NCP Miracle II, Inc.** was originally incorporated under the name “North Carolina Plants, Inc.”, and changed its name after becoming a distributor of **Miracle II** soap products in 2002.

It came to our attention last year that **NCP Miracle II, Inc.** had sold products that it claimed were authentic “*Miracle II Miracle Soap*” and “*Miracle II Neutralizer*”, but which were actually **counterfeit products** which were labeled with **counterfeit labeling**.

We obtained samples of these products in both twenty-two (22) ounce and one (1) gallon containers, which the UPS shipping label attached to the shipping boxes showed were shipped from **NCP Miracle II, Inc.**, at **161 Richardson-Bass Rd, Kenly, NC 27542**, with a telephone number of **(919)284-6002**. We examined both the products and the labels affixed to the containers of product we obtained from **NCP Miracle II, Inc.**, and determined that the labels on the containers were **counterfeit reproductions of our company’s labels**, meaning the containers we obtained from **NCP Miracle II, Inc.** had been prepared and filled outside our company’s facilities, and were therefore **counterfeit products** which had been mislabeled as **Miracle II** products.

Based on these findings, our company cancelled the pending orders from **NCP Miracle II, Inc.**, and terminated the company as a distributor of our **Miracle II** products. With the assistance of the North Carolina Secretary of State’s Enforcement Division, a Cease-and-Desist Letter was hand-delivered in July, 2010, to the owners, officers and operators of **NCP Miracle II, Inc. at its office at 161 Richardson-Bass Rd, Kenly, NC 27542** , demanding that its owners and operators immediately:

- (1) Cease the sale and offering for sale of any product which showed the **Miracle II** logo and trade dress;
- (2) Deliver all product which resembled “*Miracle II Miracle Soap*” and “*Miracle II Neutralizer*”, along with all containers, labels and materials which showed the **Miracle II** logo and/or trade dress, or which resembled **Miracle II** product labeling in any manner, to the agent(s) of the North Carolina Secretary of State Enforcement Division who delivered the letter at their company offices;
- (3) Remove the **Miracle II** logo and trade dress, as well as any items which resemble the **Miracle II** logo and/or trade dress or refer to the **Miracle II** products, from their company materials and from the company web site located at www.ncpmiracle2.com;



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- (4) Post a statement on the company web site located at www.ncpmiracle2.com that **NCP Miracle II, Inc.** was no longer a distributor of **Miracle II** products; and
- (5) Deliver our company a list of customers who had purchased any product which **NCP Miracle II, Inc.** had offered as a **Miracle II** product, whether or not authentic product was shipped to this customer, within the past two (2) years.

The agents for the North Carolina Secretary of State's Enforcement Division immediately seized a large quantity of **counterfeit products** labeled **Miracle II**, counterfeit **Miracle II** labels, and unlabeled plastic bottles in both 22 ounce and 8 ounce sizes (very many of which were already "date coded", despite not be either filled with product or labeled as to content). The **seized counterfeit products** filled four (4) full-size shipping pallets, and had a retail value of almost \$69,000.00.

There has been *no dispute or denial* by the owners and operators of **NCP Miracle II, Inc.** that **counterfeit product** labeled **Miracle II** was being sold by their company.

The owners and operators of **NCP Miracle II, Inc.** posted a notice on the company website www.ncpmiracle2.com advising visitors that **NCP Miracle II, Inc.** is no longer a distributor for **Miracle II** products, and gave the list of their customers who had purchased products offered by **NCP Miracle II, Inc.** as **Miracle II** products to the North Carolina Secretary of State's Enforcement Division agents.

Our company is continuing its investigation into **NCP Miracle II, Inc.**, and its associates. We will pursue all available legal avenues to insure that this counterfeiting operation has been completely stopped and does not restart.

Because of the scale of this counterfeiting operation, and the fact that **NCP Miracle II, Inc.** had been a distributor of **Miracle II** products since 2002, we have expanded our anti-counterfeiting efforts, and are aggressively pursuing civil and criminal actions against all counterfeiting of **Miracle II** soap products.

We Appreciate Our Customers

We recognize that in today's world, there will always be those who are unscrupulous and will attempt to profit by fraud and deceit. However, we believe we have been blessed to have so many exceptional Christian people as our distributors, people who truly believe in our **Miracle II** products and in helping other people. We sincerely appreciate each and every one of you, and look forward to providing our customers **authentic Miracle II** soap products in 2011.

Kirk & Sue Tedeton

Miracle II, L.L.C.