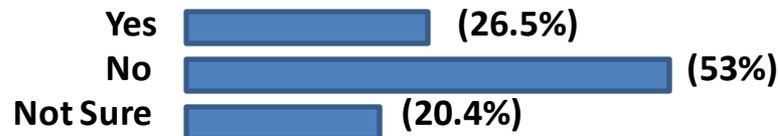


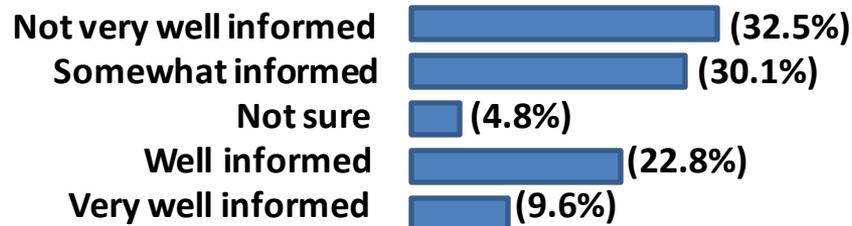
California Affiliates – Nexus Tax Survey

Our survey was sent to more than 18,000 California affiliates in mid-June 2011. What follows are the results based on responses from nearly 100 affiliates:

1. Do you feel well-prepared when it comes to dealing with nexus concerns that relate to your business as an affiliate?



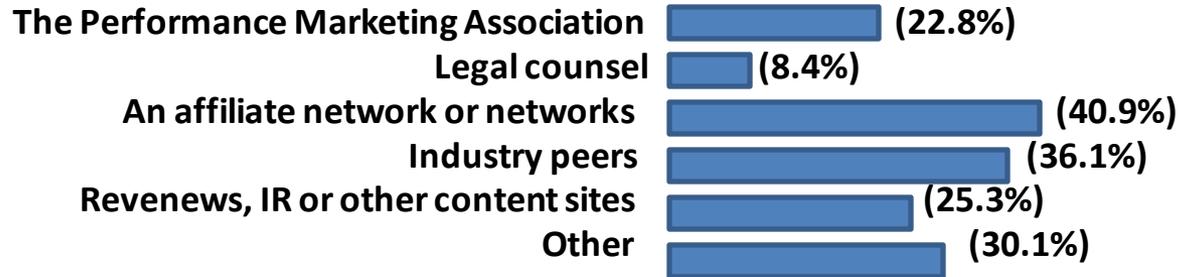
2. How informed do you consider yourself regarding the affiliate nexus tax issue?



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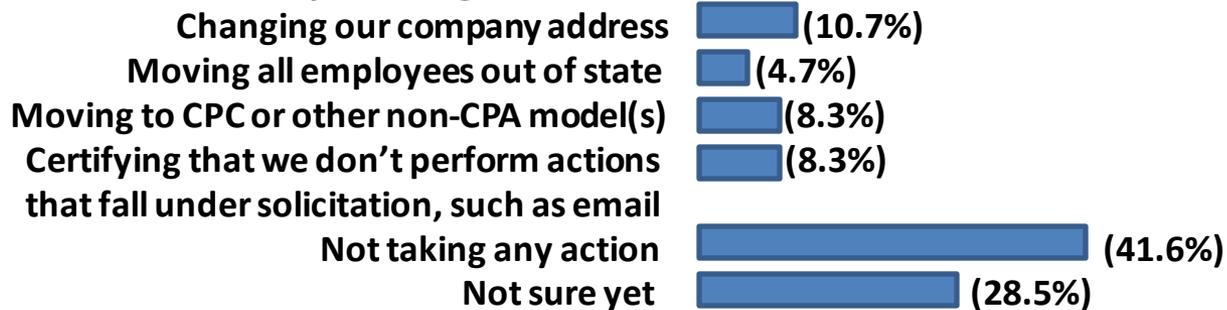
3. Where are you getting your information?



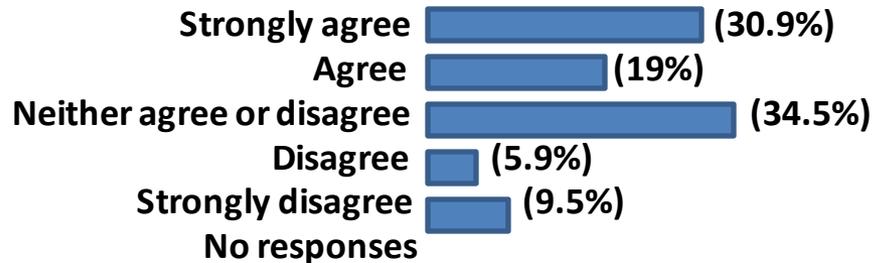
Other:

- Mastermind Pros Success School
- Bloggers
- Not getting any information
- ABestWeb forum
- Research

4. What action are you taking to address nexus?



5. Affiliate nexus tax laws will significantly affect our business and its bottom line.

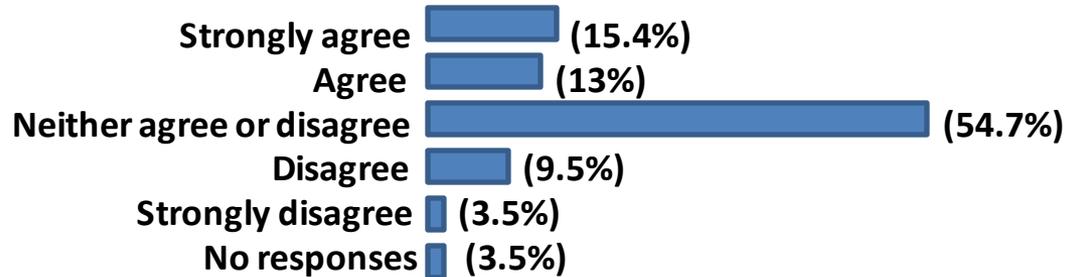


6. What help or information, if any, do you need to effectively address the nexus tax issue?

- I can't address it, I can only accept it and work within the terms.
- I want to know how others are dealing with this issue.
- All that you can send please!
- Any articles that show the stupidity of these taxes, and how they actually hurt state revenue could be effectively Facebook-linked and Tweeted. If the President can get elected via Twitter, this stupid tax can be revoked or stopped via Twitter.
- Better information in simple-to-understand language.
- Up-to-date and easy solutions to address the problem.
- Support from unaffected merchants and managers
- A list of all states to ban.
- More information about what other affiliates are doing to deal with this situation.
- Info on options of what to do to keep affiliate relationships.
- A concise site with up-to-date info, would be nice.
- Clear options/direction on CPC options.

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7. Coordinating with our merchant partners has mitigated potential revenue loss and liability.



8. If there are any additional comments you would like to make, please do so here:

- Rather than gaining more money out of this law, California is putting companies and individuals out of work and income.
- This law does not make economic sense. It's a loss of revenue for affiliates that work hard to get the deals/products converting into sales.
- Our government could greatly benefit from taxing money leaving our country and going to other countries by imposing a 75 cent tax on every dollar.
- All merchants should collect the legal sales tax and stop whinng.
- The affiliate networks should have affiliates sign the agreements and they should be valid across all merchants on a given network. That will bring more consistency and merchants and affiliates will not need to handle agreements on an individual basis.
- No law should be implemented to prevent Americans from having employment.
- The people that passed nexus need to understand the ramifications that it had/has on businesses, and to be made known of how many have pulled out of California, as well as the advertisers letting them know how many affiliates they've dropped.

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-We agree with our partners that the best way to respond is to enact a travel ban from all states enacting this new tax law. We believe that with the combined number of travel websites we control that we can gravely disrupt the economies of greedy states like California.

- I don't like getting dropped because a company doesn't want to deal with this. The flip side of dropping affiliates is that you break a relationship up and they won't likely recommend your product or service online OR offline anymore.

- If every internet retailer were required to collect tax based on the residence of the purchaser, we probably wouldn't have these issues.