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August 6, 2008

Via Email: rod@marciecook.com

Re: MXI Corp.

Dear MLMWatchdog:

I represent Marty and Jeanette Brooks in connection with their Chapter 11 bankruptcy case in Reno, Nevada. This letter is in response to questions on your website about MXI Corp.

1. IS THIS CLEANED UP?

This question refers to the Martin and Jeanette Brooks ("Brooks") bankruptcy and the answer is yes. The Brooks' Fourth Amended Plan of Reorganization ("Plan") was confirmed by the United States Bankruptcy Court in March, 2004. Under the confirmed Plan, the Bankruptcy Court placed certain assets of the Brooks in the hands of a liquidating trustee to be administered and liquidated to pay creditors' approved claims. Upon confirmation of the Plan, the Brooks were discharged from their debts as provided in the Plan and Order approving the Plan. As provided in the Plan, the discharge relieved the Brooks from liability for claims and debts existing prior to the filing of their bankruptcy. Since April 2004 the liquidating trustee has been paying creditors' approved claims. Most are already paid in full. We are informed that the liquidating trustee is preparing the final distribution to creditors.

The \$46 million in claims listed in the bankruptcy claims register was overstated, duplicative and disputed by the Brooks. The amount of the claim of every major creditor was resolved by agreement with that creditor. The creditors agreed to claims having a combined total of approximately \$6 million or about 13% of the amount they initially claimed as listed in the Register.

There were no trade creditors in the Brooks bankruptcy. The primary creditors were old judgment creditors, their contingency fee attorney, and the collection agent they hired. It is noteworthy that the Reno, Nevada contingency fee attorney that solicited and filed all the lawsuits against various companies in which the Brooks were involved has been disbarred by the State Bar of Nevada.

2. HOW IS MXI THE COMPANY AND DISTRIBUTORS PROTECTED FROM PAST AND REPEATED MESSES?

The purpose of bankruptcy is to provide the Brooks a fresh start. Not only have the Brooks received a fresh start, MXI Corp was not involved in their bankruptcy. First, MXI Corp was not even in existence when the Brooks filed bankruptcy, nor when the creditors

obtained judgments. Secondly, MXI Corp is a completely separate company from any involved in the Brooks bankruptcy and never did business with any of them. Lastly, the bankruptcy law under which the Brooks bankruptcy was filed provides that assets acquired by the Brooks after the filing of their bankruptcy petition, such as an ownership interest in MXI Corp, are after-acquired assets, are not property of the bankruptcy estate, and are not subject to claims of their creditors in bankruptcy.

The United States Internal Revenue Service claim was disputed and it was reduced substantially by the IRS. The IRS claim has been paid in full. The Canada Customs and Revenue claim was a disputed claim. The Brooks have been discharged from this claim and it is being paid according to the Plan by the liquidating trustee.

Should you have any other questions, please feel free to contact my office.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Alan R. Smith", written in a cursive style.

ALAN R. SMITH

ARS:pt
cc: Nathan Jenkins, Esq.
Mr. & Mrs. Brooks