



February 16, 2000

Jerry Heffel
Chairman, Awards Committee
Direct Selling Association
1666 K Street, NW
Suite 1010
Washington, DC 20006-2808

RE: Grimes and Reese Partnership Award Reference

Dear Chairman Heffel:

It is with great enthusiasm that I write you and your committee to recommend Grimes & Reese of Idaho Falls, Idaho for the DSA Partnership Award. Grimes & Reese has been more than "legal counsel" to USANA; it has truly been a partner with our company and has made significant contributions to the success of several of our initiatives.

While many law firms maintain an arm's-length relationship with their clients and are interested only in providing clients with a strict interpretation of the law, Grimes & Reese has pioneered customer service in the area of legal counsel. While the firm has become one of the premier sources of information and legal advice on the legal nuances of Network Marketing, the firm's counsel to us has shown an unusually refreshing understanding of the business implications of legal precedence. In other words, we get legal advice that is detailed, clear, and tailored to meet the business realities of the company.

In addition to the firm's legal counsel, Grimes & Reese has gone above and beyond to serve its clients. The firm regularly publishes an electronic newsletter to provide clients with real live case study examples of breaking legal issues, and often examples of sales and marketing success coming from industry companies that are succeeding within legal boundaries.

Recently, Grimes & Reese went far beyond their "core" service to provide USANA with assistance in our extremely successful introduction of a "value initiative." Beginning in the fall of 1999, Kevin Grimes initiated discussions with USANA to introduce us to industry research he had been gathering in support of his concerns about how the Internet was affecting the perceived value being delivered by DSA member companies.

Mr. Grimes continued to work with us as USANA conducted its own qualitative and quantitative research to measure the company's performance in delivering value to consumers. Our results confirmed Kevin's theory, and it became clear that the company must act quickly to shore up its product offering and maintain its competitive position in the broader nutrition and supplementation market.

The company began a series of distributor meetings to discuss the results of our research and to develop an action plan. That plan included a change to the current ratio of commissionable sales to dollar sales and, therefore, required hours of discussions with distributors around the world. Mr. Grimes was an active participant in those meetings and provided our field leaders practical and relevant market data along with his unique third-party industry-wide perspective.

Once our plan of action was agreed upon with our key field leaders, USANA held a broader field leader meeting to announce what we've defined as the "Value Initiative." Again, Mr. Grimes was a key presenter at that meeting and delivered an outstanding presentation that helped our leaders understand the need for immediate action and the consequences of inaction. Several leaders approached me after Mr. Grimes concluded with comments like: "This is a difficult decision to accept as a field leader, but Kevin's (Grimes) presentation helped me buy in."

The results of our initiative have been extremely positive—since we are a public company, you will have to wait to learn how successful until we make a public statement at the end of the 1st quarter. This initiative, which would not have been possible without the proactive counsel we received from Grimes & Reese, has had immediate and dramatic impact on the company's stock price and on our overall sales performance. It has also positioned the company for future strategic Internet initiatives and may prove to be the most significant action the company has taken since the day we opened our doors.

Grimes & Reese has become more than a law firm specializing in Direct Selling. This firm has brought credibility and respect to this specialty and has set the standard for service and "partnering" within the industry. I have worked with several excellent partners in my professional career, but have found my relationship with Grimes & Reese to be the most valuable.

I urge you and your committee to award the DSA Partnership honor to Grimes & Reese.

Sincerely,



Brett A. Blake
Executive Director, Marketing