

Artist Advocate Compensation Plan



CONTENTS

INTRODUCTION.....	3
EARN BONUSES.....	4
GROWING A SALES TEAM.....	4
<i>A Few Terms You Should Know.....</i>	4
BENEFITS OF BEING UNILEVEL QUALIFIED.....	5
EXPRESS BONUS (FIRST ORDER BONUS).....	5
Earn Up to \$90 per First Order.....	5
PUBLISHING REBATE.....	5
FAST TRACK Earn \$80 per enrollment.....	6
UNILEVEL AND ENROLLER BONUS.....	6
<i>Here is how it works</i>	6
GENERATION BONUS.....	9
RANK BONUS.....	9
THE ARTIST ADVOCATE VACATION BONUS PROGRAM.....	10
PRESIDENTIAL POOL.....	11
POWER START The program that simplifies growth.....	13
Glossary of Terms.....	17

Artist Advocate Compensation Plan



INTRODUCTION

The purpose of any compensation plan is two fold: First, to define the amount of compensation you, as an Active Advocate (IA), can earn from any given volume of business or level of performance. Second, to serve as a guide for your goals and to help you set realistic and achievable benchmarks for building your business.

But at Artist Advocate we weren't content to stop there. We wanted our compensation plan to do more. We established three specific objectives we wanted to accomplish with our plan:

- Allow you, as a new Active Advocate, to make meaningful income immediately.
- Provide a simple, duplicable system for you to follow that will allow you to stay qualified and "in the money".
- Enable you to create a serious business, if you choose to do so, and be rewarded accordingly.

We believe the Artist Advocate Compensation Plan described in this detailed document does all of these things, and more. It represents the latest thinking in compensation plan design, but at the same time, it is based upon principles that have been proven in practice over many years. Like our products, we believe the Artist Advocate Compensation Plan is the very best available. We hope you will find it both lucrative and easy to share with others.

As an Active Advocate you will have your own personal Artist Advocate Replicating Website linked to the company's master web site where you can direct potential customers and potential Active Advocates (AAs) while being assured that they will be electronically linked to you for ongoing commissions and bonuses.

Artist Advocate Compensation Plan



EARN BONUSES

Retailing Artist Advocate products are the backbone of your business. There are two types of customers on which you may receive bonuses.

1. **Retail Customer:** An independent distributor buys Artist Advocate products at wholesale and sells at suggested retail earning a 40% profit. Those who buys at suggested price are consider "retail customers"

2. **Active Advocate (IA):** Every person that enrolls at Artist Advocate, becomes an Active Advocate (IA). At their option, they can become only a customer and/or sell product and/or subscribe to an Autoship order. An IA qualifies to receive bonuses directly from Artist Advocate.

Active Advocate (IA): You begin as an Active Advocate by choosing one of the 3 options to be an Active Advocate:

Auto Ship	Free
Starter Membership Kit	30 dollars*
Fast Track	299 dollars*

*Shipping and taxes might apply

Every Active Advocate with the Company has the opportunity to purchase products at wholesale (40% discount from suggested retail) and sell them at retail, or consume them personally. By simply telling people you know about the exciting benefits of Artist Advocate products, you can quickly build a customer base and earn meaningful retail commissions on the purchases by your customers. And by sharing the business opportunity with others, you can begin building an organization.

Every Active Advocate (IA) that joins Artist Advocate will be assigned a position in the Unilevel Plan and may qualify for combined Customer Bonuses of 15% (5% unilevel and 10% Enroller Bonus) of the assigned Value Points (VP), on personally enrolled Active Advocates. In addition, you may now qualify for Express Bonuses on the first order placed by personally enrolled IA's. (See details below)

GROWING A SALES TEAM

In order to be eligible for Unilevel Bonuses you must be personally Active. You will be considered Active when you meet the Active qualification of creating the appropriate Personal Qualification Points (PQP) on your eligible rank, or subscribe to an autoship order valued at the designated PQP for that rank. One of the advantages of been enroll in the autoship is that your PQP is lower typically in 50 dollars .

Now, when you enroll your first IA, this person is placed at your Level 1 in the Artist Advocate compensation plan where you may earn a bonus based on the Assigned Value Points (VP).

Artist Advocate Compensation Plan



A Few Terms You Should Know...

Personal Qualification Points (PQP): PQP represents an assigned value on every Artist Advocate products that you personally purchased. The purpose of this is to determining qualifications for promotions and maintenance qualifications for receiving various bonuses.

Group Qualification Points (GQP): GQP represents all the PQP created by the entire group in the downline of an Advisor or higher rank person for the purpose of determining qualifications for promotion and maintenance qualifications for receiving various bonuses.

Active: To be considered Active, your monthly purchases should be at least 150 PQP or subscribe to a product autoship for only 100 PQP in the qualifying month. As you advance in rank, to be paid as a particular rank, may require an increase in Personal Qualification Points or in your autoship commitment.

40% Rule: For the purpose of Qualification to earn a new rank and Maintenance Qualification to be Paid As that rank, no more than 40% of the GQP created can be credited from any single leg in a downline organization.

Value Points (VP): Every Artist Advocate product that is purchased carries an assigned "Value Points" (VP) This VP is used to calculate various forms of compensation in the company Compensation Plan.

BENEFITS OF BEING UNILEVEL QUALIFIED...

Becoming a Qualified Active Advocate (IA) - As an Active Advocate you can earn Unilevel Bonuses on level one of your Level 1 Active Advocates based on the Value Points assigned to the products they purchase for personal use or for resale.

Here is how it works: Once you have enroll with any of the 3 enrollment options, you may begin enrolling other IA's which are automatically placed at your Level 1 in the Unilevel. You will earn a 5% Bonus on all these people's product sales based on the assigned Value Points. In addition, you will accumulate a special 10% bonus called Enroller Relationship Bonus. In addition, as previously mentioned, you may now qualify for Express Bonuses on the first order placed by personally enrolled IA's. (See details below)

Becoming a Coordinator (C) - As a Qualified IA, you can now earn the rank of Coordinator and increases the depth of your unilevel bonus of 5% through two levels. Plus also continue receiving your 10% VP Enroller Relationship Bonus and Express Bonuses

Qualifications: To become a Coordinator, you must accumulate 700 Group Qualification Points in the qualifying month. Note: Personal Qualification Points are included Group Qualification Points.

Maintenance: In order to receive downline bonuses, you must maintain \$150 PQP or \$100 PQP in autoship.

Artist Advocate Compensation Plan



EXPRESS BONUS (FIRST ORDER BONUS)

Earn Up to \$90 per First Order

Provided that you have qualified as described below, when you directly enroll a new IA that places their first order, this first order creates what is called a Express Bonus. You will earn a special Bonus on their first order of 20% or up to 30% on the VP's.

Here is how it works: If you enroll a new IA that places a first order of any size up to 300 VP, you will be paid a 20% bonus (up to \$60) on that first order. However, if you have enrolled previously to the autoship program we will increase your First Order Express Bonus to 30% (up to \$90).

Please keep in mind that this special Express Bonus is only paid on the First Order of a new Active Advocate and follows the Enroller Tree and not the Sponsor Tree.

FAST TRACK

Earn \$80 per enrollment

When you present the Artist Advocate opportunity to someone and this person decides to take serious the Artist Advocate carrer. You have the option to enroll him or her with the Fast Track. This package has the best Artist Advocate products to start the business and also gives the enroller (mentor) and the new distributor the right to receive extra bonuses.

When this new enrollment buys this package it will enter a program named "Power Start" that will pay extra bonuses from 50 dollars all the way to 10,000 dollars for achieving certain goals. (see details below)

Also for enrolling someone with this package you will receive \$80 dollars. For example if you enroll 5 persons in the same month with the Fast Track you will receive \$400 dollars!. Remember that you have to accomplish with your personal minimum purchase in your current rank in order to collect this bonus.

The bonus paid on the Fast Track will replace the express Bonus.

Publishing Rebate

In addition to the revenues generated from recruiting bonuses and sales, Artist Advocates collectively receive 20% of the royalties generated from each sell, regardless of origination.

Artist Advocate Compensation Plan



UNILEVEL AND ENROLLER BONUS

Enroller Relationship Bonus: No matter what rank in the company you have, you qualify for a 10% Enroller Bonus on the entire VP created by your personally enrolled Active Advocates or higher ranks. Also, combined with your 5% Unilevel Bonus, you now earn a total of 15% VP of personally enrolled IA volume in the Artist Advocate Unilevel Plan.

Optional Placement of downline Distributors: As a Coordinator, you now have the option to strategically place your new enrollees under another downline Qualified IA for training and mentoring.

Here is how it works...

The Enroller and Placement Relationships: As an additional for you to help others in your downline Sales Organization succeed and thereby help yourself, Artist Advocate tracks two different types of relationships among its Active Advocates known as the "Enroller relationship" and the "Placement relationship".

An Enroller is an existing Active Advocate (IA) of any rank that first explains the Artist Advocate business opportunity to potential new IA's, and subsequently helps them to enroll as an IA. The Company computer thereby recognizes an "enroller relationship" between these two IA's and maintains it accordingly.

A Placement (Sponsor) is an IA of any rank who is immediately upline in an Organization from a new or existing IA, and is generally responsible for the day-to-day coaching, encouragement, and assistance of the IA's immediately below them. The computer system recognizes a "placement relationship" based on the placement position between these two IA's and maintains it accordingly.

The Enroller and the Placement of a new Active Advocate can of course be the same person, though they do not have to be. With the dual relationship tracking system, the person who enrolls the new IA can elect to place the new IA anywhere in their downline under another IA, who then becomes the Placement. The importance of this relationship will become clear as you read on in this document. The original Enroller of a new Active Advocate is eligible for several exciting enhanced bonus programs to reward those individuals who commit their efforts to growing their organization.

Upon becoming a Coordinator you have the option of placing personally enrolled IA's on your Level 1 or placing them under one of your downline Qualified IA's or higher rank person for sponsorship.

We recognize that you have a special relationship with people you personally enroll no matter where you position them in the downline. To reward you for your personal enrollment efforts and for helping your new IA's build their own organization, you are qualified to earn a 10% Enroller Relationship Bonus in addition to the 5% level bonus for a total of 15% on the VP created by IAs you personally enroll.

Example: You personally enroll a new IA and that person creates \$100 in Value Points. As a Coordinator if they are within your eligible unilevel pay line, you will earn 5% plus the Enroller Relationship Bonus of 10% for a total of 15% VP or \$15. If you place them below your current eligible pay line in the unilevel, you would still earn the 15% Enroller Relationship Bonus even though they would be outside of your unilevel income.

NOTE: Only the original Enroller may qualify for this special Enroller Relationship Bonus, as it does not compress.

Artist Advocate Compensation Plan



Becoming a Supervisor - As a Qualified Coordinator, you can now earn the rank of Supervisor and increase the depth of your unilevel bonuses three levels of 5% VP. Plus also continue receiving your 10% VP Enroller Relationship Bonus and the Express Bonuses.

Qualifications: To become a Qualified Supervisor and be Paid As a Supervisor, you must accumulate 2,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$150 PQP or \$100 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Becoming a Manager A - As a Qualified Supervisor, you can now earn the rank of Manager A and increase the depth of your unilevel bonuses four levels of 5% VP. Plus also continue receiving you 10% VP Enroller Relationship Bonus and the Express Bonuses

Qualifications: To become a Manager A, you must accumulate 6,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Becoming a Manager B - As a Qualified Manager A, you can now earn the rank of Manager B. Here you will not increase the depth of your unilevel bonuses, but at this point forward you are in title to receive a bonus called Generation Bonus, which will be explain forward. Plus also continue receiving you 10% VP Enroller Relationship Bonus and Express Bonuses

Qualifications: To become a Manager B, you must accumulate 10,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Becoming a Director - As a Qualified Manager B, you can now earn the rank of Director and increase the depth of your unilevel bonuses five levels of 5% VP. Plus also continue receiving you 10% VP Enroller Relationship Bonus and Express Bonuses

Qualifications: To become a Director, you must accumulate 18,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Artist Advocate Compensation Plan



Becoming a President - As a Qualified Director, you can now earn the rank of President and increase the depth of your unilevel bonuses six levels, this new level is 3% VP. Plus also continue receiving you 10% VP Enroller Relationship Bonus and Express Bonuses

Qualifications: To become a President, you must accumulate 40,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Becoming an Executive - As a Qualified President, you can now earn the rank of Executive and increase the depth of your unilevel bonuses to seven levels, this new level you will receive a 2%. Plus also continue receiving you 10% VP Enroller Relationship Bonus and Express Bonuses

Qualification: To become an Executive, you must accumulate 100,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Becoming a Diamond - As a Qualified Executive, you can now earn the rank of Diamond and increase the depth of your unilevel bonuses to eight levels, this new level you will receive a 1%. Plus also continue receiving you 10% VP Enroller Relationship Bonus and Express Bonuses

Qualification: To become a Diamond, you must accumulate 200,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Becoming a Platinum - As a Qualified Diamond, you can now earn the rank of Platinum. The levels on the unilevel side will maintain in eight levels but there will be other benefits described below. Plus also continue receiving you 10% VP Enroller Relationship Bonus and Express Bonuses

Qualification: To become Platinum, you must accumulate 300,000 GQP in qualifying month.

Maintenance: In order to receive downline bonuses, you must maintain \$250 PQP or \$200 PQP in autoship.

40% Rule: No more than 40% of the required Group Qualification Points can come from any one leg of your organization.

Artist Advocate Compensation Plan



GENERATION BONUS

When you become a Manager B under the Plan, you begin to qualify for "generation bonuses."

As a qualified Manager B, you are eligible to receive the "YOU" Generation Bonus. Here's how:

- As a Manager B, you qualify for the "YOU" generation bonus -- a 4% bonus on your own personal group value points. This means that you may qualify to receive this 4% bonus on the VP of every Advisor, Coordinator, Supervisor and Manager A in your personal group though infinite depth only to be interrupted by another Manager A that earns the position of Manager B.

When you qualify for Director and a Manager A in your downline becomes a Manager B that Manager B moves out of your personal group and becomes your 2nd Generation. Now, he/she will begin earning the 4% "YOU" generation bonus. But, as long as you have been promoted to the rank of President, you will begin receiving 3% generation bonus on that Managers B personal group value points.

- When your 2nd Generation Manager B or higher rank person has someone in her group who becomes a Manager B, that person becomes your 3rd Generation. As long as you have been promoted to the rank of President and you receive a 3% generation bonus on this 3rd generation.
- When your 3rd Generation Manager B or higher rank person has someone in his/her group who becomes a Manager B, that person becomes your 4th Generation and as long as you have been promoted to the rank of Executive, you receive 2% generation bonus on this 4th generation.
- When your 4th Generation Manager B or higher rank person has someone in his/her group who becomes a Manager B, that person becomes your 5th Generation and as long as you have been promoted to the rank of Diamond or Platinum, you receive 1% generation bonus on this 5th generation.
- Generation bonuses are paid to unlimited depth in each generation until another Manager B or higher rank is found. This continues down to the maximum number of generations.
- Note: As President and higher, you may now qualify for the Presidential Pool. More Later

Artist Advocate Compensation Plan



RANK BONUS

Artist Advocate gives extra money just for maintaining the rank you have achieved!

As you advance ranks in the Artist Advocate carrier you will be receiving extra bonuses for achieving a new rank and as well for maintaining it. Here is the chart:

Rank	Volume	Bonus
Supervisor	2,000GQP	200-400
Manager	8,000 GQP	500-600
Director	18,000 GQP	700-800
President	40,000 GQP	
Executive	100,000 GQP	
Diamond	200,000 GQP	
Platinum	300,000 GQP	

Every month that you maintain the your current on the Artist Advocate system you will receive extra money, but if you decrease your rank you will not be in title to collect this money it that particular month. (40% rule applies)

THE ARTIST ADVOCATE VACATION BONUS PROGRAM

Artist Advocate Offers the Most Lucrative Vacation Bonus Program In the Industry

You may begin earning your vacation paid for by Artist Advocate. Even if you are still Part Time, Artist Advocate helps you leverage your time and effort by enhancing your income with the Artist Advocate Vacation Bonus Program.

Start earning a \$150 Vacation Bonus when you become a Supervisor just by building three or more teams of Advisors that help you create 4,000 Group Qualifications Points each month. Advancing to the rank of Manager A, Manager B, Director, President Executive, Diamond and eventually Platinum will provide an opportunity to increase your vacation bonus from \$150 up to as much as \$500 per month which you can use to take that vacation of your dreams.

Here is all you have to do. Meet the GQP requirement based on your earned rank for two consecutive months with no more than 40% of this volume from any one of your downline Advisor team legs. (See table below). Upon meeting this qualification, each month that you maintain a particular Rank along with the associated GQP, you will receive your car bonus check associated with that rank. If you do not maintain the GQP Volume requirement or if do not meet the rank qualifications, you will be "Paid As" the rank that you do qualify for that particular month based on 50% of that ranks' eligible vacation bonus. The following chart will explain how this works.

Artist Advocate Compensation Plan



No other company in the industry offers such a generous vacation program so early in your personal business growth. You can be taking your Artist Advocate vacation sooner than you think if you just follow our simple and achievable success plan.

Rank	Volume (GQP)	Quarterly Bonus
Supervisor	4,000	150
Manager A	8,000	200
Manager B	12,000	250
Director	30,000	350
President	70,000	400
Executive	150,000	500
Diamond	250,000	600
Platinum	350,000	700

PRESIDENTIAL POOL

For Artist Advocate International the development of leaders is essential, but more important is to help those leaders make Artist Advocate International a real business for them.

The objective of the Presidential Pool is to help organizations grow, increase earnings and promoting team work.

I) Participants

The following ranks are entitled to participate if they comply with the requirements established.

1. President
2. Executive President Diamond
3. President Platinum President

II) Requirements

In order to qualify for this Pool you will need to comply with the following rules:

1. Qualify in your Presidential rank with the points shown in the chart below (40% rule).
2. Maintain the number of points and 40% rule required each month during the quarter
3. Develop at least one personally sponsored Manager-A during the quarter.

Note: The Manager-A can be placed anywhere under your downline

You must qualify at the highest rank achieved during the last 12 months, rank starts every year of your enrollment date, in case you advance to a higher Presidential Rank during the quarter you will be paid on the lowest Presidential Rank.

Artist Advocate Compensation Plan



III) Bonus Calculations

With this Pool all Presidential Ranks are enabled to earn additional money on quarterly basis on the company's National Group Value Points (GVP). This will be equivalent to the 1.5% of the total USA quarterly GVP and divided between the Presidents and above who had fulfilled the requirements.

For this we have divided the Pool into shares and all distributors qualified on the rank of President will earn a share of 25% of the Pool. The qualified Executives will earn a share in the Presidents Pool plus another 25% of the Executives Pool. The Diamonds will earn a share of the Presidents Pool, plus the Executives Pool and an additional 25% of the Diamonds Pool. And finally the Platinum take a share of the Presidents, Executives and Diamond's Pool plus an additional 25% of the Platinum Pool.

Rank	Participation in Pool
Presidents	25%
Executives	50%
Diamonds	75%
Platinum	100%

IV) Bonus Calculations

The pool will have 4 quarters during the year and those who qualify will receive their bonus the following month.

Quarters	Paid In
Jan – Feb – Mar	April
April – May – June	July
Oct – Nov – Dec	January

V) Developing a Manager-A

One of the requirements to collect this Pool is to create a New Manager-A during the quarter, this has to be:

1. Personally enrolled (can be placed anywhere in your organization).
2. A new Distributor, Advisor or Coordinator that has never achieved a higher rank in the past, at least in the past 12 months.

VI) Extra Bonus:

There is a possibility of earning an extra one time bonus of \$3,000.00 USD. This will be paid if the new Manager-A reaches a Presidential Rank in the next (or the same) quarter. The achieving of this goal should match with the Presidential Pool quarters, not in a 6 months term, and will be paid only once in a quarter either if you develop one President or more or more than one President.

Artist Advocate Compensation Plan



VII) New Presidents to participate in the Pool

In case a Director turns to be a President during a quarter, he/she will be eligible to start participating in the Pool on the next immediate quarter.

Example 1: A Director turned to be President in February; he/she will start participating in the Pool on April.

Example 2: A Director turned to be President in January; he/she will start participating in the Pool on the same January's quarter.

VIII) Back Office

Through your Back Office you will be able to track your information, and have a follow up on your development. At the end of the quarter you will not be able to see your Pool commissions on line, it will be attached to your monthly check at the end of the quarter.

IX) Additional Policies

Buying ranks, manipulating information or any type of fraud is prohibited; Artist Advocate reserves the right to audit all results.

POWER START

The program that simplifies growth

Power Start is a Program specially designed for **new Distributors** who wish to start an **Artist Advocate Business Career**. It offers highly lucrative growth goals and money rewards not only to the Participant but also for the Enroller who assists in its development.

Program Requirements:

- a. Group Quality Points (GQP) volume
- b. Maintaining Personal Sponsorships (minimum purchase 50 PQP)

Artist Advocate Compensation Plan



Both requirements must be met within the established period of time in order to maximize the Program's profits, as follows:

CHART: Power Start

GQP Volume	Months	Active Personal Enrollments	On-time Bonus	On-time Bonus	Off-time Bonus	Off-time Bonus
800	1	4	\$50	\$50	\$25	N/A
2000	2	5	\$100	\$100	\$50	N/A
3500	3	6	\$150	\$150	\$75	N/A
5000	5	7	\$200	\$200	\$100	N/A
6500	7	8	\$250	\$250	\$125	N/A
8000	8	9	\$300	\$300	\$150	N/A
10000	10	10	\$350	\$350	\$175	N/A
14000	12	11	\$500	\$500	\$250	N/A
18000	14	12	\$700	\$700	\$350	N/A
24000	16	12	\$1000	\$1000	\$500	N/A
30000	18	12	\$1500	\$1500	\$750	N/A
40000	20	12	\$2000	\$2000	\$1000	N/A
50000	22	12	\$2500	\$2500	\$1250	N/A
60000	24	12	\$3000	\$3000	\$1500	N/A
80000	28	12	\$3500	\$3500	\$1750	N/A
100000	28	12	\$4000	\$4000	\$2000	N/A
120000	30	12	\$4500	\$4500	\$2250	N/A
140000	32	12	\$5000	\$5000	\$2500	NA
180000	34	12	\$5000	\$5000	\$3000	N/A
220000	36	12	\$7000	\$7000	\$3500	N/A
260000	38	12	\$8000	\$8000	\$4000	N/A
300000	40	12	\$10,000	\$10,000	\$5000	N/A

Earn the right to participate

In order to participate in the Program, new Distributor must purchase a Fast Track, which is a starter kit that will help him achieve his goals.

New Distributor may now purchase the Fast Track no later than 90 calendar days after he joins Artist Advocate.

Should he choose not to purchase the Fast Track, he won't be entitled to collect any the Program's additional Bonuses.

Who is the Enroller?

The Program rewards both the Participant and the Enroller with additional Bonuses. Therefore, a Enroller is the person who has personally enrolled the Participant, regardless whether Participant is placed under his downline.

My first working month

By First Working Month we mean: "The day you join Artist Advocate plus the entire following month". For example, if I joined the Company and purchased my Fast Track on January 5, my First Working Month starts on January 5 and ends on the last day of February.

Artist Advocate Compensation Plan



In the event that a Distributor has not entered his/her Social Security Number (SSN) and have generated commission checks, the company can process the pending checks from the previous three months with the placement of his/her SSN.

Bonuses

The Chart above shows the potential, one-time Money Bonuses you may earn just by advancing in your Group Qualifying points & in your Sponsorships. These Bonuses are additional to the set forth in the Artist Advocate Compensation Plan.

These Bonuses start at \$50 and go up as much as \$10K for both Distributor and the Enroller.

There are 2 two different types of Bonuses you can earn in this Program, the "On-time" Bonuses and the "Off-time" Bonuses.

What determines the difference between the "On-time" and the "Off-time" Bonuses is the amount of time it takes Distributor to achieve a particular goal (See "Maximum Amount of Time").

In addition, Bonuses may be accumulated in case Distributor exceeds the goals shown in the Chart.

For example, if a Distributor accumulates 2,000 points and maintains 5 personal enroll distributors buying a minimum of 50 PQP during his First Working Month, Distributor and Sponsor each would receive the accumulation of the \$50 Bonus corresponding to the first month plus the \$100 Bonus of the second, as shown in the Chart.

Bonuses may only be earned once per set goal during your Artist Advocate Business Career.

Maximum amount of time

The time it takes you to escalate those goals will determine whether you qualify to earn the maximum amount of money of the "On-time" Bonuses described in the Chart.

"Maximum amount of time" starts counting from the moment you join the Company and not from the moment you purchase the Fast Track. If you don't purchase the Fast Track you would be missing the additional Bonuses.

If you had purchased your Fast Track within the 90-calendar day's period but for some reason you were late to collect one of the "On-time" Bonuses, you would not be in title to collect them.

In the "Months" column of the Chart we can see the "maximum amount of time" you have to meet the "Group Volume" & "Active personal enroll" requirements in order to earn an "On-time" Bonus. For example, a Distributor has up to 3 months -counted from the date he joined the Company-, to achieve the 3,500 points & 6 "Active personal enrollment" goal.

In case of meeting this goal during such "maximum amount of time", Distributor and Enroller each may collect the "On-time" Bonus, which, according to the Chart, is \$150 for each. Otherwise, only the participant would collect the corresponding "Off-time" Bonus (\$75).

Now, it is quite likely there would be cases where Distributor would advance faster than the established in the Chart. In this scenario, such Distributor earns more time to achieve his next goal ("Time banked"), in addition to collecting the accumulated Bonuses shown in the Chart.

For example, let's say a Distributor creates 3,500 points during his First Working Month. The Chart shows his next goal would be 5,000 points & 7 Active personal enrollments (minimum 50 PQP) within a "maximum amount of time" of 5 months. Therefore, Distributor would be left with 4 months as a "maximum amount of time" to achieve his next goal and collect his "On-time" Bonus.

Artist Advocate Compensation Plan



Enrollments

All Enrollments must be personal and may be placed in your downline. In order to be taken into account, they must be enrolled in one of the official Artist Advocate' enrolment options.

The number of required Enrollments shown in the Chart does not necessarily have to be met in the same month. What the Chart shows is the number of Enrollments that must be Active in the qualifying month.

For the purposes of this Program, an active Distributor is such Distributor who has placed a minimum purchase of 50 Personal Qualifying Points (PQP).

For example, if you are pursuing the 10,000 Group Qualifying Points (GQP) goal, you must first comply with the "10 Active Personal Enrollments" requirement in such qualifying month, regardless whether they were enrolled months ago.

Bonus Collection

In order to earn the right to collect any of the Program's Bonuses or any check at all, Participant and Enroller each must comply with the Personal Qualification Points (PQP) set forth in the Artist Advocate Compensation Plan.

Notes:

In order to collect all bonuses you must comply with the 40% rule

Artist Advocate Compensation Plan



GLOSSARY OF TERMS

ACTIVE: To be considered Active, create between 150 PQP or subscribe to a product autoship for 100 PQP in the qualifying month. As you advance in rank, to be paid as a particular rank, may require an increase in Personal Qualification Points or in your autoship commitment.

APPLICATION AND/OR AGREEMENT FORM: This is a legal binding agreement between you and the Company, which covers your rights, duties, and responsibilities and those of the Company. This is vital and necessary information. The Policies & Procedures manual is an extension of this Agreement and should be read carefully.

BONUS QUALIFIED: You are Bonus Qualified when you are an Active Advocate in good standing and have met the minimum personal sales requirements for the applicable pay period.

COMPANY: The Artist Advocate corporate or home office.

COMPENSATION PLAN: (Sometimes called the "Marketing Plan") The official set of definitions and performance requirements, as published in the Artist Advocate Active Advocate Manual by which the Active Advocate gets paid.

COMPRESSION: Unilevel and Generation Bonuses are earned by and paid to Active Advocates that are Bonus Qualified. When an Active Advocate fails to meet the minimum maintenance requirements for earning bonuses at his or her titled position, the Company's computer searches downline until it finds an Active Advocate who is Bonus Qualified no matter how far downline it has to search. That qualified Active Advocates personal volume for the Unilevel plan or group volume for the generation plan then "Compresses" to include all the volume that may have been generated by all non-qualified Active Advocates in between to create the next level or generation respectively, until it has satisfied its payout requirements with qualified Active Advocate levels or Generations. The term "Compression" is used to describe the temporary condition that occurs when an Active Advocate fails to meet the maintenance requirements for a particular pay period and the term. Compression does not apply to Enroller Check Match Bonuses. (See also "Rollup")

DIRECT: Refers to an Active Advocate that you have personally and directly enrolled. (See "Leg")

DOWNLINE: Those people directly sponsored by an Active Advocate, plus all the people whose line of sponsorship resulted from and came through that Active Advocate. Your Downline consists of all Active Advocates on your Level 1, Level 2, Level 3, etc, through unlimited depth.
(See "Level")

ENROLL: To sign and submit an Active Advocate Application and Agreement form to Artist Advocate for the purpose of becoming an Active Advocate for the Company.

ENROLLER: The Artist Advocate Active Advocate of any rank, who introduces the business opportunity to potential new Active Advocates and helps them enroll as an Active Advocate.

FRONT LINE: Refers to all Active Advocates that are personally sponsored and/or enrolled (Level 1) by a particular Active Advocate or by the Company. (See also "Direct")

GROUP QUALIFICATION POINTS (GQP): GQP represents all the PQP created by the entire group in the downline of an Advisor or higher rank person for the purpose of determining qualifications for promotion and maintenance qualifications for receiving various bonuses.

Artist Advocate Compensation Plan



I.D. #: The identification number used by the Company to identify each Active Advocate for Compensation Plan purposes.

ACTIVE ADVOCATE: The generic name for an independent contractor who has signed an Active Advocate Application and Agreement form with the Company, and whose Active Advocate Application and Agreement has been accepted by the Company. Upon acceptance of such Agreement, an Active Advocate is eligible to purchase the Company's products at wholesale prices for resale and can enroll and place other people into their Downline retail Sales Team. An Active Advocate is eligible to earn Commissions and Bonuses in accordance with the terms and provisions of the Compensation Plan.

STARTER MEMBERSHIP KIT: Tools, forms, tapes, brochures, manuals and application forms, relative to the Artist Advocate business opportunity, needed to begin your new business.

INDIRECT: All Active Advocates in your Downline that are not directly enrolled by you. (*See also "Downline"*).

LEG: Each Active Advocate on your first level is part of your total Downline and is a separate "Leg." You and your entire Sales Team (Downline) are one "Leg" to your sponsor.

LEVEL: The people you personally enroll and/or sponsor are your first level. The ones they enroll and/or sponsor are your second level. The ones your second level sponsors are your third level, etc.

MAINTENANCE: The standard of performance involving an Active Advocate that is required for that Active Advocate to continue being "Paid As" a particular rank after meeting the initial qualification requirements for that rank.

MARKETING PLAN: In Network Marketing this is also known as the Compensation Plan. It is usually depicted in a graphic manner in a promotional brochure and in detail in the Company's manual.

MULTI-LEVEL MARKETING (MLM): Another name for network marketing. (*See "Network Marketing"*)

NETWORK MARKETING: A non-storefront type of selling where a manufacturer or its Active Advocates (a network marketing company), sells directly to the consumer through a "network" of independent contractors, rather than through conventional outlets. Active Advocates multiply themselves directly and indirectly by sponsoring other Active Advocates and are paid accordingly on multiple levels.

OPPORTUNITY MEETING: A periodic meeting, or gathering of Network Marketing Active Advocates for the purpose of introducing and explaining the business opportunities to prospects.

PAID AS: Active Advocates that have earned the various title designations according to their sponsoring and sales performance will retain those titles indefinitely even if they do not meet the specified bonus qualifications in a pay period. However, they will be PAID AS the level at which they meet bonus qualifications for the pay period.

PERSONAL QUALIFICATION POINTS (PQP): Every Artist Advocate product that is purchased carries an assigned "Qualification Points" (QP) that is generally equivalent to the Active Advocate (IA) wholesale price applicable to each product. This QP is used to determine qualifications required for promotion to higher ranks. The accumulated QP of all products purchased by you and your retail customers during a given pay period are combined to determine your "Personal Qualification Points" (PQP) for that pay period. This PQP is used to calculate bonuses in the Compensation Plan.

Artist Advocate Compensation Plan



PERSONAL GROUP: For purposes of this Compensation Plan, a Personal Group consists of an Active Advocate at the top of a Sales Team, and every Active Advocate below that person in that Team, through each and every Leg.

POLICIES & PROCEDURES: The governing rules of Artist Advocate that define the relationship between the Company and its Active Advocates, as well as between Active Advocates and other Active Advocates. The Policies & Procedures are specifically incorporated into and made a part of the Active Advocates Agreement, which each Active Advocate must sign in order to enroll.

PROSPECT: A person to whom you want to offer the Artist Advocate business opportunity.

QUALIFIED: An Active Advocate that is qualified to be "Paid As" a particular rank is considered Qualified at that rank. (See "Paid As")

RANK: A new title is claimed at each level with increased percentages of bonus participation. You will always carry the title of the highest rank you reach, but are paid at the rank for which you qualify each month.

RECRUITING: Inviting others to join your Team to share the same opportunity.

RENEWAL: Active Advocates must renew their Active Advocate Agreement each year no later than the anniversary date of their joining the Company. If an Active Advocate does not renew their relationship with Artist Advocate, they will be dropped from the computer files and any sponsored or enrolled Active Advocates will be moved up to the next active Active Advocate. If they wish to rejoin Artist Advocate at a later date, they may not reclaim their previous rank or Downline, but must join at the beginning entry level in the program. (See "Roll-up")

RETAIL: Sales of the Artist Advocate products to the end users of those products. Retail sales are the foundation of your Artist Advocate business, and the ultimate purpose of all other activities within the business, including enrolling, sponsoring, training, etc.

RETAIL COMMISSION: Regardless of your rank, you have the opportunity to purchase and sell products and services and receive a retail commission on all of the Artist Advocate products.

40% RULE: In order to maintain certain ranks, no more than 40% of the required Total Group Qualification Points can come from any one leg of your organization.

ROLL-UP: The permanent form of Compression. When an Active Advocate terminates his Active Advocate Agreement or does not exercise his yearly renewal, his entire Downline rolls upline to his sponsor or the next qualified person and his name is deleted from the Company records. (See "Compression").

SALES TEAM AND OR SALES ORGANIZATION: Your Sales Team consists of you and the people that you directly enroll as Active Advocates, and the people that they enroll as Active Advocates, and so on, and so on, and so on. There is no limit to how wide or deep that your Sales Team can grow. (See "Downline" and "Leg")

PLACEMENT SPONSOR: An Active Advocate of any rank who is immediately upline in an Organization from a new or existing Active Advocate, and is generally responsible for the day-to-day coaching, encouragement and assistance of the Active Advocates immediately below them. The Artist Advocate computer recognizes a "placement relationship" based on the placement position between these two Active Advocates and maintains it accordingly.

SUGGESTED RETAIL PRICE: The retail price as suggested by the Company. An Active Advocate may sell the product or service for whatever price he or she chooses.

Artist Advocate Compensation Plan



UNILEVEL: The part of the Compensation Plan that is based on fixed Sponsorship genealogical relationships, i.e. Override Bonuses.

UNLIMITED DEPTH: As used in this Compensation Plan, the term "unlimited depth" describes any number of levels in depth that is not blocked by another Active Advocate of equal or higher rank.

UPLINE: The term "upline" refers to that portion of either your Enroller or Sponsor genealogy that precedes you. Your upline consists of the Independent Marketing Consultant who is your Enroller and/or Sponsor, and his Enroller and/or Sponsor, and his Enroller and/or Sponsor, etc.

VALUE POINTS (VP): Every Artist Advocate product that is purchased carries an assigned "Value Points" (VP) that is generally a little lower to the IA wholesale price applicable to each product. This VP is used to calculate various forms of compensation in the Artist Advocate Compensation Plan.