



Learn-Biz

Open Your World – Empower Yourself

STATEMENT OF POLICIES AND PROCEDURES

1. GLOBAL LEARNING SOLUTIONS L.L.C., Doing Business as Learn-biz, hereinafter referred to as "Company" is a direct sales affiliate marketing Company who's primary products include but are not limited to: TRAIN2TALK Language Learning Platform. Company uses an Affiliate Team of Independent Business Owners (IBO's) to market its products and services, hereinafter referred to as IBO.
2. An IBO is a person or business entity who has purchased the IBO back office/support maintenance fee. IBO back office/support maintenance fee purchase requires COMPLETING the Company"Online" Registration form and the receipt of payment. The Company reserves the right to accept or reject any IBO.
3. All IBO's must be the age of majority (legal) in the State or Country in which they sell Company's products and services.
4. IBO's are independent sales & marketing representatives of the Company and are not to be considered purchasers of a franchise or a distributorship. The agreement between the Company and its IBO's does not create an employer\employee relationship between the Company and the IBO's. Each IBO shall hold harmless the Company from any claims, damages or liabilities arising out of IBO 's business practices. Company IBO's have no authority to bind the Company to any obligation. Each IBO is encouraged to set up his\her own hours and to determine his\her own methods of sale, so long as he\she complies with the policies and procedures of the Company.
5. Transaction Submission Integrity. It is essential to the success of the Company, its IBO's and customers that submissions of transactions to the Company and maintain integrity of communication. It is to be expected that all transactions submissions to the Company, including, but not limited to, IBO communication, IBO financial transactions and consumer transactions, be submitted by the individual or entity involved in the transaction. Third party submission of any and all transactions submissions is prohibited. A IBO may not communicate any transactions submissions on behalf of another IBO, IBO applicant or customer. A IBO may not use his or her credit card or bank account on behalf of another individual or IBO. This rule is applicable to any and all forms of transactions submissions, including, but not limited to, online, telephone, fax, email, etc.
6. In the conduct of its business, IBO shall safeguard and promote the Reputation of the products and services of the Company and shall refrain From all Conduct which might be harmful to such reputation of the Company or to the marketing of such products and services or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. A IBO shall not interfere with, harass or undermine other IBO's and, at all times, shall respect the privacy of other IBO's. A IBO must not disparage the Company, its affiliate entities, other Company IBO's, Company products and/or services, the marketing and compensation plan, the Company's compensation and Rewards System, or Company employees.

7. The company's program is built upon retail sales to Individuals, Traditional And Home Based Business Owners. The company also recognizes that IBO's may wish to purchase products or services in reasonable amounts for their own personal and business use. It is company policy, however, to strictly prohibit the purchase of product or large quantities of inventory in unreasonable amounts solely for the purpose of qualifying for advancement and profit sharing bonuses. IBO's Are Encourage To Train & Help IBO's, to qualify for bonuses, and overrides.
8. Any IBO, who 1st purchases our retail product (s) and or services and then subsequently solicits other clients who become IBO's who desire to refer/sell Company's products and services, must fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of products and services to the ultimate Individual and Business consumer and in the training of those sponsored. IBO's must have ongoing contact, communication and management supervision with his or her sales organization. Examples of such supervision may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, and accompanying individuals to "Company Provided Training", sharing genealogy information with those sponsored. IBO's should be able to provide evidence to the Company semi-annually of ongoing fulfillment of sponsor responsibilities.
9. Company Retail Policy. The Company sales and marketing program is based upon retail sales to Individuals and Business consumer. Every aspect of the program is designed to assist our IBO's in the marketing of the Language learning platform to Individuals and Business Owners. (When Applicable) As a dual consumer safeguard, of the utmost importance to the Company is the policy that IBO's should purchase products and services in commercially reasonable quantities, and under no circumstances may IBO's cause others to purchase products or services in amounts that are not reasonably expected to be sold or used for marketing to Business or in unreasonable amounts for personal or family use.
10. All orders from retail customers will be fulfilled immediately via access through the train2talk.com website.
11. All IBO's are responsible for paying local, state and federal taxes due on earnings from commissions and bonuses or any other earnings generated as a seller of Company products and services.
12. Company IBO's shall not advertise Company products and services and/or marketing plans except as specifically approved by the Company. Company IBO agree to make no false or fraudulent representations about the Company, the products and services, the Company commissions and bonus compensation, or income potential. IBO's MUST BE ABLE TO DOCUMENT ANY CLAIM OF EARNINGS, BONUSES, ETC.
13. Upon the anniversary of IBO, a \$10.00 annual IBO back office/support maintenance fee will be due and payable.
14. Trademark, Trade Names, Advertising.
 - a) The name of the Company and other names as may be adopted by the Company are proprietary trade names and trademarks of the Company. As such, these marks are of great value to the Company and are supplied to IBO for IBO 's use only in an expressly authorized manner. IBO agrees not to advertise Or Re-Produce the Company products, services or marketing tools (print and all others) in any way other than the advertising or promotional materials made available to IBO by the Company. IBO agrees not to use any written, printed, recorded or any other material in advertising, promoting or describing the products or services or the Company marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Company, unless such material has been submitted to the Company and approved in writing by the Company before being disseminated, published or displayed.

b) The IBO, as an independent contractor, is fully responsible for all of his\her verbal and written statements made regarding the products, services and marketing system in the current IBO agreement, and advertising or promotional materials supplied directly by the Company. IBO agrees to indemnify the Company and hold it harmless from any & all liability including judgments, civil penalties, refund, attorney fees, court costs or lost business incurred by the Company as a result of IBO's unauthorized representations. The Company will not permit the use of its copyrights, designs, logos, trade names, trademarks, etc. without its prior written permission.

c) All Company materials, whether printed, on film, produced by sound recording, or on the internet, are copyrighted and may not be reproduced in whole or in part by IBO's or any other person except as authorized by the Company. Permission to reproduce any materials will be considered only in extreme circumstances. Therefore, a IBO should not anticipate that approval will be granted.

d) A Company IBO may not produce, use or distribute any information relative to the contents, characteristics or properties of Company product or service which has not been provided directly by the Company. This prohibition includes but is not limited to print, audio or video media.

e) A Company IBO may not produce, sell or distribute literature, films or sound recordings which are deceptively similar in nature to those produced, published and provided by the Company for its IBO's. Nor may a IBO purchase, sell or distribute non-company materials which imply or suggest that said materials originate from the Company.

f) Any display ads or institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted to the Company and approved in writing by the Company prior to any publication.

g) All advertising copy, direct mailing, radio, TV, newspaper and display copy must be approved in writing before being disseminated, published or displayed with the exception of blind ads where no reference is made to the Company name or product name.

h) The Company maintains an official corporate website. IBO's receive a special unique link that links back to the company website. IBO's are allowed to advertise this link. Keeping in mind the additional restrictions listed elsewhere in this document.

i) No IBO may independently design a website that uses the names, logos, product or service descriptions of the Company, nor may a IBO use "blind" ads on the internet making product or income claims which are ultimately associated with Company products, services or the Company's compensation and bonus plan. Any person using Company names, logos, trademarks, etc. on the internet or any other advertising medium, except as permitted by Company Rules and Regulations, shall be subject to immediate discipline, including termination of IBO status.

j) Prohibition of Sales on Unauthorized Internet Sites. Except with written authorization from the Company, an IBO may not sell nor promote Company products on unauthorized internet sites, including, but not limited to auction sites such as eBay, nor internet shopping sites, nor internet malls.

15. Unsolicited Email. The Company does not permit IBO's to send unsolicited commercial email to others unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by a IBO that promotes the Company, the Company opportunity or Company products and services must comply with the following:

a) There must be a functioning return email address to the sender.

- b) There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
 - c) The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
 - d) The use of deceptive subject lines and/or false header information is prohibited.
 - e) All opt-out requests, whether received by email or regular mail, must be honored. If an IBO receives an opt-out request from a recipient of an email, the IBO must forward the opt-out request to the Company.
16. Unsolicited Faxes and Spam. Except as provided in this section, IBO's may not use or transmit unsolicited faxes, mass email IBO's unsolicited email, or "spamming" or use an automatic telephone dialing system relative to the operation of their Company businesses. Unsolicited broadcast distribution of email or other distribution that may be defined as "bulk mail" or "SPAM" is strictly prohibited. IBO's may send "general mailings" only to other IBO's in their down line organizations and their direct up line sponsors. Any other bulk use of email is prohibited. The term "automatic telephone dialing system" means equipment, which has the capacity to:
- a) Store or produce telephone numbers to be called, using a random or sequential number generator; and
 - b) Dial such numbers. The terms "unsolicited faxes" and "unsolicited email" mean the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting the Company, its products, its compensation plan or any other aspect of the Company which is transmitted to any person, except that these terms do not include a fax or email:
 - c) Any person with that person's prior express invitation or permission;
 - d) Any person with whom the IBO has an established business or Personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two-way communication between a IBO and a person, on the basis of:
 - e) An inquiry, application, purchase or transaction by the person regarding products offered by such IBO; or A personal or familial relationship, which relationship has not been previously terminated by either party.
17. Trade Shows. With written authorization from the Company, Company products or services and opportunity may be displayed at trade shows by IBO's. Request for participation in trade shows must be received in writing by the Company at least two weeks prior to the show. Written authorization from the Company must be received before participating in the trade show. Unless written authorization is secured from the Company, Company products or services and opportunity are the only products or services and/or opportunity that may be offered in the trade show booth. Only Company produced marketing materials may be displayed or distributed. No IBO may sell or promote the Company's products or services or business opportunity at flea markets, swap meets, or garage sales.
19. The Company reserves the right to approve or disapprove IBO 's change of business names, formation of partnerships, corporations, and trusts for tax, estate planning, and limited liability purposes. If the Company approves such a change by IBO, the organization's name and the names of the principals of the organization must appear on the IBO application agreement along with a social security number

or federal identification number. It is prohibited to make changes to attempt to circumvent or violate Company rules on raiding, solicitation, targeting, cross-sponsoring or interference.

20. The IBO agreement may be canceled at any time and for any reason by a IBO notifying the Company in writing of the election to cancel.
21. If an IBO elects not to renew his\her IBO agreement by not paying the required \$10.00 annual IBO back office/support maintenance fee, all rights to bonuses, aggregate sales profit sharing bonus board position, etc. are unconditionally forfeited.
22. The Company shall be entitled to change product or service prices and compensation plan at any time and without notice, and to make changes in the statement of policy and procedures at any time without notice.
23. Each IBO shall comply with all state and local taxes and regulations governing the sale of Company products or services.
24. Company IBO's, as independent contractors, are free to sell or market consumer products or services other than the company's products with certain restrictions; however, a company IBO shall not engage in any recruiting or promotion activity that targets Company's IBO's for opportunities or products of other direct selling companies or business opportunities, either directly or indirectly, by themselves or in conjunction with others, nor shall an IBO participate, directly or indirectly, in interference, raiding or solicitation activity of Company IBO's for other direct selling companies or business opportunities. This prohibition shall be in effect during the term of the IBO's agreement and for a period of Two (2) years after the termination of the IBO agreement. Additionally, no recruiting for other business ventures is authorized at any company function. Failure to comply with this recruiting and cross-sponsoring policy shall cause an IBO's agreement to be subject to termination with no further monetary or other entitlements.
25. On a periodic basis, the Company will supply data processing information and reports to IBO, which will provide information concerning IBO's down line sales organization, product purchases and product mix. IBO agrees that such information is proprietary and confidential to the company and is transmitted to IBO in confidence. IBO agrees that he or she will not disclose such information to any third party directly or indirectly, nor use the information to compete with the company directly or indirectly during or after the term of the agreement. IBO and the company agree that, if it were not for IBO's agreement of confidentiality and nondisclosure, the Company would not provide the above confidential information to IBO.
26. Vendor Confidentiality. The Company's business relationship with its vendors, manufacturers and suppliers is confidential. A IBO shall not contact, directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturer of the Company except at a Company sponsored event at which the representative is present at the request of the Company. Violation of this regulation may result in termination and possible claims for damages if the vendor/manufacturer's association is compromised by the IBO contact.
27. Sale or Transfer. A IBO may not sell, assign or otherwise transfer his or her IBO position or other IBO rights without written application and approval by the Company. This paragraph is also applicable to transfer of any interest in an entity that owns an IBO Position, including but not limited to corporation, partnership, trust or other non-individual entity. The potential buyer must be at the equivalent or higher rank as the selling IBO prior to the sale. The IBO must be offered in writing first to the IBO's sponsor. If IBO's sponsor declines the offer, IBO may offer the distributorship for sale to other qualified Company IBO's, but only on the same terms and conditions as offered to the sponsor. A IBO who sells his or her distributorship shall not be eligible to re-qualify as a IBO for a period of at least six months after the sale. The Company reserves the right to review the sale agreement and to verify waiver from the up line

sponsor in the event the up line sponsor declines to purchase the distributorship. A IBO may not add a co-applicant to their IBO agreement and thereafter, remove their name from the IBO agreement, as an effort to circumvent the Company's sale, assign, delegate or merger procedure. The primary IBO must wait twelve (12) months after adding a co-applicant to the IBO agreement before they are allowed to remove their name from the agreement. It is prohibited to use a sale or transfer to attempt to circumvent Company policy on raiding, soliciting, cross-sponsoring or interference. For the term of three (3) years after sale or transfer, a IBO agrees that he/she shall not, directly or indirectly, disrupt, damage, impair or interfere with the business of Company, whether by way of interfering with, or raiding its employees or distributors, disrupting its relationship with customers, agents, representatives, IBO's, suppliers, vendors or manufacturers or otherwise. "Disrupting" or "interfering" shall include, but not be limited to, direct or indirect solicitation or recruitment for other direct selling business opportunities or products or services of other direct selling companies. A IBO seeking to sell or transfer his/her distributorship must acknowledge and agree to this provision prior to the finalization of the sale or transfer of their distributorship.

28. This statement of policies and procedures is considered incorporated into the IBO Independent Contractor agreement and constitutes the entire agreement of the parties regarding their business relationship.
29. The Company expressly reserves the right to alter or amend prices, Rules and Regulations, Policies and Procedures, product availability and compensation plan. Upon notification, in writing, such amendments are automatically incorporated as part of the agreement between the Company and the IBO. Company communication of changes may include, but shall not be limited to mail, email, fax, posting on the Company website, publication in company newsletters or magazines, etc.
30. Non-Individual Ownership. A partnership or corporation may be a IBO. However, no individual may participate in more than three (3) IBO agreements in any form without express written permission from the Company.
31. A IBO may change status under the same sponsor from individual to partnership or corporation or from partnership to corporation with proper and complete documentation.
32. To form a new IBO's as a partnership or corporation or to change status to one of these forms of business, you must request a partnership/corporation form from the corporate home office. This form must be submitted detailing all partners, stockholders, officers or directors in the partnership or corporation. The partner or officer who submits the form must be authorized to enter into binding contracts on behalf of the partnership or corporation. In addition, by submitting the partnership/corporation form, you certify that no person with an interest in the business has had an interest in a distributorship within three (3) months of the submission of the form (unless it is the continuation of an existing distributorship that is changing its form of doing business).
33. Individual and Entity Ownership Information. An individual can have no more than one (1) IBO agreement in the company. He/she may own part of another IBO agreement, jointly, and he/she may participate as a partner, owner, stockholder, trustee, director, or association member in no more than three (3) IBO agreements in any form.
34. An individual shall provide the Company with a Social Security Number or a Taxpayer Identification Number (TIN) on an IRS W-9 form. No individual operating under a fictitious name and no partnership, corporation or other business entity may become a company IBO without submitting an "Entity Information" form following enrollment of proprietorship, corporation, Limited Liability Corporation (LLC), trust or partnership.

- 1) Proprietorship: A copy of fictitious name filing must be submitted, plus a W-9 form.
 - 2) Corporation: Copies of articles of incorporation are required, including the page with state seals and notarization. These articles will show who the principals are and prove validation of Federal ID Number/Business Number/E.I.N, plus a W-9 form.
 - 3) LLC: IRS acceptance only. The name on the IRS acceptance is required to state the LLC in order to use it as an LLC, plus a W-9 form.
 - 4) Trust: An affidavit of trust with the notarized copy of the power of attorney is necessary. If Federal ID Number is to be used and is not noted in the affidavit, an IRS acceptance will be required, plus a W-9 form.
 - 5) Partnership: To register as a partner, complete the partnership portion of the Entity Information form, along with all signatures that apply, plus a W- 9 form.
35. Entity Guarantee for Owners: Although Company has offered IBO's the opportunity to conduct their distributorship as corporate, LLC, trust or partnership entity, those entities are under the control of its owners and principals, the actions of individual owners or beneficiaries as they may affect Company's business. Therefore, it is agreed that actions of individual owners or beneficiaries as they may affect Company and the distributorship are also critical to Company's business. Therefore it is agreed that actions of the ownership entity shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related or interested parties and the actions of such parties, which are in contravention to Company's policies shall be attributable to the corporate, LLC, trust or partnership entity. In the event that any of the ownership entity shareholders, officers, directors, trustees, beneficiaries agents, employees or other related parties shall terminate ownership interests in the distributorship, any breaching actions by such parties that continue to have a beneficial financial interest, directly or indirectly, in the distributorship shall be attributable to the distributorship.
36. Members of Same Household; Responsibility. Members of IBO's household may operate together as an Individual Company distributorship. Household is defined as husband, wife, and dependents. Note: Children of legal age to contract and at least 18 years of age are not considered a part of their parents' household. Company recognizes that members of the same household may belong to competing direct selling opportunities. Although the actions of the parties are normally in good faith, in some circumstances, there is an abuse of relationships in which the non-company household member is engaged in recruitment, solicitation or raiding of the Company sales organization. Since the household member that has an ownership interest in the Company distributorship is in the best position to be responsible to prevent raiding or cross-sponsoring activity by their co-household member, the cross-recruiting activity of the non-company household member shall be attributed to the Company distributorship, subjecting the distributorship to discipline or termination.
37. Disciplinary Actions. A IBO's violation of any policies and procedures, the agreement, terms and conditions or any illegal, fraudulent, deceptive, or unethical business conduct may result, at the Company's discretion, in one or more of the following disciplinary actions:
- A) Par Issuance of a written warning or admonition.
 - B) Imposition of a fine, which may be imposed immediately or withheld from future commission checks.
 - C) Reassignment of all or part of an IBO's organization.
 - D) Suspension, which may result in termination or reinstatement with conditions or restrictions.

E) Termination of IBO agreement.

38. The Company reserves the right to terminate any IBO agreement at any time for cause when it is determined that the IBO has violated the provisions of the IBO contractor agreement, including the provisions of these policies and procedures as they may be amended or the provisions of applicable laws and standards of fair dealing. Such involuntary termination shall be made by the Company at its discretion. Upon an involuntary termination, the Company shall notify IBO by Email at the latest address listed with the Company for the IBO. In the event of a termination, the terminated IBO agrees to immediately cease representing him/herself as a IBO.

39. Termination.

A) When a decision is made to terminate a distributorship, the Company will inform the IBO in writing that the distributorship is terminated immediately, effective as of the date of the written notification. The termination notice will be sent by Email to the IBO 's address on file with the Company.

B) IBO will have 15 days from the date of EMAIL in which to appeal the termination in writing, and provide written response to the finding of violations of Company agreement, policies and/or rules. The IBO 's appeal and/or Response must be received by the Company within 20 days of the Company's termination letter. If the appeal is not received within the 20-day period, the termination will be automatically deemed final.

C) If a IBO files a timely appeal of termination, the Company will review and reconsider the termination, consider any other appropriate action, and notify the distributor of its decision. The decision of the Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will be effective as of the date of the Company's original termination notice.

40. All IBO's have the right to sponsor others. In addition, every person has the ultimate right to choose his/her own sponsor. If two IBO's should claim to be the sponsor of the same new IBO, the Company shall regard the first application received by the corporate website as controlling.

A) As a general rule, it is good practice to regard the first IBO to meaningfully work with a prospective IBO as having first claim to sponsorship, but this is not necessarily controlling. Basic tenets of common sense and consideration should govern.

B) As a convenience to its IBO's, the Company may provide various methods of registering or informing the Company of newly sponsored IBO's, including online internet registration, telephone registration and facsimile registration. Until such time as the Company receives an application, either as hard copy or by facsimile, containing all appropriate information, as well as the signature of the proposed new IBO, the Company will only consider the internet, telephone or facsimile registration in the category of "intended" recognition of sponsor.

C) There is no "magic" involved in the Company or in any business. Those who sponsor widely but who do not help new IBO's develop their business meet with limited success. Therefore, a responsibility of sponsorship is to work with new IBO's, helping them learn the business and encouraging them during the critical early months.

D) IBO's are not required to carry inventory of products or sales aids for new IBO's. When tangible product is involved, marketing materials, etc., IBO's who do so, however, find building a major sales organization much easier because of the decreased response time in meeting a new IBO's needs.

41. Transfer of Sponsorship. Transfer is rarely permitted and is actively discouraged. Maintaining the integrity of sponsorship is absolutely mandatory for the success of the overall organization.

A) Transfers will generally be approved in three (3) circumstances only:

1) In the case of *unethical sponsoring by the original sponsor. In such cases, the Company will be the final authority.

2) With the written approval of the immediate five (5) up line sponsors.

3) Resigning from the Company entirely and waiting three (3) months to reapply under the new sponsor.

*In cases of unethical sponsoring, the individual may be transferred with any down lines intact; in all other events, the individual alone is transferred without any down line IBO's being removed from the original line of sponsorship.

42. The Company encourages each IBO to keep accurate sales records. The program is based upon retail sales to consumers; therefore, all forms of stockpiling or pyramiding are prohibited.

43. See specific addenda specific states as to statutory purchasing limitations, buyback rules and other restrictions, disclosures and additional distributor rights and responsibilities. In any state with a business opportunity statute, required expenditures during the first six months shall not exceed the statutory amount that initiates applicability of the state business opportunity statute.

44. Income Claims. No income claims, income projections nor income representations may be made to prospective IBO's. Obviously, any false, deceptive or misleading claims regarding the opportunity or product\service are prohibited. In their enthusiasm, IBO's are occasionally tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counter-productive, since new IBO's may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The Company believes firmly that the income potential is great enough to be highly attractive in reality without resorting to artificial and unrealistic projections.

45. Representation of Status. In all cases, any reference the IBO makes to him/herself must clearly set forth the IBO 's independent status. For example, if the IBO has a business telephone, the telephone may not be listed under the Company's name or in any other manner which does not disclose the IBO status of the IBO.

46. Judgment and Tax Liens. The Company will comply fully with any court order or instruction/demand by any government taxing authorities within the United States and Canada that orders, instructs or demands the withholding of an IBO 's earnings from his/her distributorship with the Company.

47. Subpoenas/ Duces Tecum (Demands for Records). Assuming proper jurisdiction, the Company will comply with all subpoenas duces tecum demanding financial compensation records of an IBO in his/her capacity as a IBO with the Company.

48. Requests for Records. The Company will comply fully with all requests for records accompanied by a properly prepared and signed Authorization by the person whose records are being sought. The Company will comply fully with all requests for records by government agencies with the authority to request such records and accompanied by the requisite legal documentation.

49. Newspaper Advertisements. Some IBO's will use classified advertising in the newspapers to find prospects. The following rules apply:
- 1) No advertisement may imply that a "job" or "position" is available.
 - 2) No specific income can be promised.
 - 3) Advertisements must contain no misleading facts or distortions of the Company opportunity or product line.
50. Business Cards and Stationery. Any printed materials, including business cards and stationery, must be approved by the Company in advance. Criteria for approving these materials will include a judgment regarding the quality of the materials as well as properly setting forth the independent status of the IBO.
51. Telemarketing Techniques. The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although the Company does not consider IBO's to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties. Therefore, IBO's must not engage in telemarketing in the operation of their Company businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Company product or service, or to recruit them for the Company opportunity. "Cold calls" made to prospective customers or IBO's that promote either Company products or services or the Company opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or IBO (a "prospect") is permissible under the following situations:
- 1) You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three (3) months. Bear in mind, however, that if you make a habit of "card collecting" with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.
 - 2) The prospect's personal inquiry or application regarding a product or service offered by the IBO, within the three (3) months immediately preceding the date of such a meeting.
 - 3) If the IBO has an established business relationship with the prospect. An "established business relationship" is a relationship between an IBO and a prospect based on the prospect's purchase, rental or lease of goods or services from the IBO, or a financial transaction between the prospect and IBO within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
 - 4) If IBO receives written and signed permission from the prospect authorizing the IBO to call. The authorization must specify the telephone number(s) which the IBO is authorized to call.
 - 5) In addition, IBO's shall not use automatic telephone dialing systems relative to the operation of their Company businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: store or produce telephone numbers to be called, using a random or sequential number generator, and to dial such numbers.

52. Press Inquiries. Any inquiries by the media are to be referred immediately to the Company. This policy is to assure accuracy and consistent public image.
53. Federal and state regulatory agencies rarely approve or endorse direct selling programs. Therefore, IBO's may not represent that the Company's program has been approved or endorsed by any governmental agency.
54. Indemnification and Hold Harmless. IBO hereby indemnifies and releases Company, its officers, directors, agents and assigns and holds harmless from and against the full amount of any and all claims, causes of action, judicial and administrative proceedings suits, charges, liabilities, losses, damages, costs and expenses, including without limitation court costs and reasonable fees and expenses of attorneys and consultants, which are or may be made, filed or assessed against Company at any time arising out of IBO 's business operations and representations made by IBO in the operation of his/her business, arising from the following:
 - 1) Violation and/or lack of compliance with terms of the IBO agreement, policies and procedures, rules and regulations, marketing program manual or guidelines or any other directive from the Company as to method and manner of operation of the IBO's business;
 - 2) Engaging in any conduct not authorized by the Company in the Company market program;
 - 3) Any fraud, negligence or willful misconduct in the operation of the IBO's business;
 - 4) Misrepresentation or unauthorized representation regarding the Company's products or services, marketing opportunity or potential or the Company's marketing program;
 - 5) Failure to adhere to any federal, state or local law, regulation, ordinance and/or any order or rule issue by any court of appropriate jurisdiction;
 - 6) Engaging in any action which exceeds the scope of authority to the IBO as granted by the Company;
 - 7) Engaging in any activity over which Company has no effective control as to the actions of the IBO.
 - 8) Engaging in the general business operations of IBO 's business.
55. Waiver. The Company never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of the Company who is authorized to bind the Company in contracts or agreements specifies in writing that the Company waives any of these provisions. In addition, any time the Company gives permission for a breach of the rules, that permission does not extend to future breaches. This provision deals with the concept of "waiver," and the parties agree that the Company does not waive any of its rights under any circumstances short of the written confirmation alluded to above.
56. Governing Law. These rules are reasonably related to the laws of the state of Wyoming and shall be governed in all respects thereby. The parties agree that jurisdiction and venue shall lie with the place of acceptance of the IBO application, the state of Wyoming.
57. Partial Validity. Should any portion of these Rules and Regulations, of IBO 's application and agreement, or of any other instruments referred to herein or issued by the Company be declared invalid by a court of competent jurisdiction, the remainder of such rules, applications, or instruments shall remain in full force and effect.