LIFE is a direct selling company that provides a compensation plan to its Members that allows them to earn income based on the sales of LIFE products to both customers and also products that are sold through a community of other Members that you register (Downline). Members do not have to make a purchase in order to earn a bonus.

**REGISTERED CUSTOMER COMMISSION**

Registered Customer Commissions are earned monthly based on subscription and product sales volumes made to Registered Customers that are tracked using a point system. Each LIFE product has a retail price and an assigned retail point value that is referred to in the document as retail PV. Subscription products carry a price to retail PV ratio of 1:1. For example, a LIFE monthly subscription has a retail price of $50 and 50 PV. Non subscription products carry a ratio that ranges from $1:1 PV to $1:.25PV.

A Registered Customer is a customer who formally registers with LIFE, receives their own LIFE customer number and purchases products directly from LIFE using that customer number. Validated customer purchases are purchase made by the Registered Customers directly from LIFE’s Website or at a LIFE event using their LIFE number. All other sales made to a customer are considered non-validated and not eligible for Registered Customer Commissions. Non-validated customer sales aren’t included because this would require a “self-reporting” process where the Members would report these sales. With this type of system it is very difficult to validate sales and it lends itself to the false reporting of customer sales activity.

Members earn a 25% commission each month on their Registered Customer retail PV total. For example, if a Member made Registered Customer sales totaling 100 PV, then their Registered Customer Commission would be $25 for that particular month.

**MEMBER COMMISSION BONUS**

Member Commission Bonuses are also earned monthly and are based on the accumulation of Member and Registered Customer PV. PV from Member purchases is valued at 100% of the product’s PV. The PV from Registered Customers is valued at 50% of the product’s PV, which is called Registered Customer Member Commission PV. Each Month, the accumulation of Member PV and Registered Customer Member Commission PV is used to calculate the Members Commission Bonus based on the chart (opposite). The bonus is dependent on how the PV is generated, but is typically a combination of retail sales made by the Member plus the accumulation of sales and purchases made by the Member’s Downline. Several examples are provided later in this document.

The accumulation of PV each month is used to calculate the Member’s Commission Bonus that ranges from 5% to 50%.

<table>
<thead>
<tr>
<th>PV</th>
<th>Bonus %</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000</td>
<td>50%</td>
</tr>
<tr>
<td>10,000</td>
<td>45%</td>
</tr>
<tr>
<td>6,000</td>
<td>40%</td>
</tr>
<tr>
<td>4,000</td>
<td>35%</td>
</tr>
<tr>
<td>2,500</td>
<td>30%</td>
</tr>
<tr>
<td>1,500</td>
<td>25%</td>
</tr>
<tr>
<td>1,000</td>
<td>20%</td>
</tr>
<tr>
<td>600</td>
<td>15%</td>
</tr>
<tr>
<td>300</td>
<td>10%</td>
</tr>
<tr>
<td>150</td>
<td>5%</td>
</tr>
</tbody>
</table>

**MEMBER COMMISSION CUSTOMER REQUIREMENTS**

In order to receive a Member Commission Bonus on Downline Member PV, a Member is required to have sales of 50 PV of Registered Customer Member Commission PV each month, or a Member can make a Mental Fitness Challenge retail sale to a non-registered customer, but that sale must include the completion of the product registration. For example, a Member can have two Registered Customers that subscribe to a LIFE subscription. A LIFE subscription is 50 PV. (50PV x 2 x 50%) = 50 Registered Customer Member Commission PV.

It is understood that in developing any business it takes time to develop customers. Therefore, a new Member has 6 months to attain the 50 point customer requirement. During the time allowed to develop customers, a Member can earn commission bonuses based on downline Member PV.
The 6 month target starts on the 1st of the month following the Member enrollment date. For example, if a Member enrolls on November 5th, their 6 month target starts on December 1st and they have to meet the customer requirement in the month of May in order to be eligible to receive a May Member Commission Bonus on Downline volume. After the 6 months, the customer requirement is monthly. Therefore, each month the Member must meet this requirement in order to be eligible for commissions on Downline volume in that particular month.

Members who do not meet the customer requirement are still eligible for a Member Commission Bonus on their Personal and Customer Volume and their Registered Customer Commissions in their first year and for any month after their first year as long as the Member doesn’t go 6 consecutive months without meeting the customer requirement. After 6 consecutive months in a Member’s second year and beyond, the status of the Member is changed from Member to Customer. A LIFE Customer is not eligible to earn commissions or bonuses of any kind. Please review the LIFE Policies and Procedures for a more detailed explanation.

**ONE TIME CASH AWARDS**

The One Time Cash Award, or OTCA, program is an incentive program that rewards a Member for hitting a new LIFE rank for the first time in a fiscal year. LIFE’s fiscal year coincides with the calendar year. The actual cash awards are formally announced each fiscal year. The first rank eligible for an OTCA is Leader 6, with 3 of the 6 months being consecutive. The next OTCA ranks are Leader 12, Coordinator 6, Coordinator 12, Senior Coordinator 6, and so on.

**STUDENT – STUDENT 15,000**

As a Member is learning to develop a LIFE business and starts to climb the bonus chart they are referred to as a Student. For example, a Member who in a particular month had personal and Downline sales that totaled 1,000 PV would be given the achievement designation of: Student 1,000. A Member at 2,750 PV would be a Student 2,500. This is simply a way to identify the level of business success a Member has had during their progression up the bonus chart.

**Calculating Your Registered Customer Commission**

1. **Registered Customer Volume:** PV generated by sales to Registered Customers captured by the website or at a LIFE event under the Registered Customer’s LIFE customer number.
2. **Registered Customer Volume Calculation:** PV generated by sales to registered customers multiplied by 25%.

The following examples calculate the Customer PV Bonus for a Member who has customer sales with no Downline Members.

**Example #1**

1. Total Registered Customer Member Volume – 40 PV
2. Registered Customer Commission
   a. Customer Volume – 40 PV
   b. Calculation – 40 PV x 25% = $10.00

**Example #2**

1. Total Registered Customer Member Volume – 220 PV
2. Member sold 1 Mental Fitness Challenge product, which carries 220 PV
3. Registered Customer Commission
   a. Customer Volume – 220 PV
   b. Calculation – 220 PV x 25% = $55.00

**Example #3**

1. Total Registered Customer Member Volume – 440 PV
2. Member sold 2 Mental Fitness Challenge products, which carry 220 PV each
3. Registered Customer Commission
   a. Customer Volume – 440 PV
   b. Calculation – 440 PV x 25% = $110.00
CALCULATING YOUR MEMBER COMMISSION BONUS

1. Personal Volume Calculation: PV generated through subscriptions and product sales multiplied by your commission bonus percentage. Registered Customer PV is valued at 50% of retail PV.

2. Differential Volume Calculation: The PV of each personally enrolled Downline Member Team multiplied by the difference between your commission bonus percentage and each personally enrolled Downline Member Team’s commission bonus percentage.

The following examples explain the Commission Bonus Calculations once the Customer Requirements have been fulfilled.

Example #1

1. Total PV – 150, Commission Bonus Percentage 5%
   a. Personal PV – 100
   b. Registered Customer Member Commission Volume - 50 PV – (100 retail PV x 50%)
   c. Total PV – 100 + 50 = 150
2. Personal Volume Calculation
   a. Personal Volume – 150 PV
   b. Calculation – 150 PV x 5% = $7.50
3. Registered Customer Commission
   a. Registered Customer Volume – 100 PV
   b. Calculation – 100 PV x 25% = $25.00
4. Total Bonus - $7.50 + $25.00 = $32.50

Example #2

1. Total PV – 1,500, Commission Bonus Percentage 25%
2. Personal Volume Calculation – 150 PV
   a. Personal Volume – 100 PV
   b. Registered Customer Member Commission Volume - 50 PV – (100 retail PV x 50%)
   c. Calculation – 150 PV x 25% = $37.50
3. Differential Volume Calculation
   a. Team #1 Downline Member PV – 1,350
   b. Group PV Bonus Percentage – 20%
   c. Calculation – 1,350 x (25%-20%) = $67.50
4. Total Member Commission Bonus Calculation
   a. $37.50 + $67.50 = $105.00
5. Registered Customer Commission
   a. Registered Customer Volume – 100 PV
   b. Calculation – 100 PV x 25% = $25.00
6. Total Bonus - $105.00 + $25.00 = $130.00
Example #3

1. Total PV – 2,500, Commission Bonus Percentage 30%
2. Personal Volume Calculation – 150 PV
   a. Personal Volume – 100 PV
   b. Registered Customer Member Commission
      Volume - 50 PV – (100 retail PV x 50%)
   c. Calculation – 150 PV x 30% = $45.00
3. Differential Volume Calculation
   a. **Team #1** Downline Member PV – 1,350
   b. Group PV Bonus Percentage – 20%
   c. Calculation – 1,350 x (30%-20%) = **$135.00**
   d. **Team #2** Downline Member PV – 1,000
   e. Group PV Bonus Percentage – 20%
   f. Calculation – 1,000 x (30%-20%) = **$100.00**
4. Total Member Commission Bonus Calculation
   a. $45.00 + $135.00 + $100.00 = **$280.00**
5. Registered Customer Commission
   a. Registered Customer Volume – 100 PV
   b. Calculation – 100 PV x 25% = **$25.00**
6. Total Bonus - **$280.00 + $25.00 = $305.00**
LEADER DEVELOPMENT COMMISSION BONUSES

Once a Member has generated 15,000 PV or 50% on the bonus chart in a single month, they have achieved the first level of leadership within the LIFE business and become a Leader. This is a very important achievement and now the Leader can turn their attention to developing other downline Members into Leaders. As a Leader develops additional Leaders in multiple Teams they earn Leader Development Commission Bonuses.

In order to qualify for the Leader Development Commission Bonuses you must create Leaders (Members with 15,000 PV in sales) within multiple Teams.

Within the leadership ranks there are many different performance levels based on the number of Teams developed and the sales generated within each of those Teams.

LEADER

There are two ways in which you can qualify as a Leader.

1) Through customer and Member sales, accumulate 15,000 PV.
2) Have a Team generating 15,000 PV and carry 6,000 PV in additional volume.
3) Within the Leader Rank there are additional ranks that signify the number of months within the fiscal year (January 1 – December 31), that the Member has hit the Leader level.
   a. Leader – 1
   b. Leader – 3
   c. Leader – 6
   d. Leader – 12

COORDINATOR

There is one way to qualify as a Coordinator.

1) Have 2 Teams generating 15,000 PV and carry 4,000 PV in additional volume.
2) Within the Coordinator Rank there are additional ranks that signify the number of months within the fiscal year that the Member has hit the Coordinator level.
   a. Coordinator – 1
   b. Coordinator – 3
   c. Coordinator – 6
   d. Coordinator – 12

SENIOR COORDINATOR

There is one way to qualify as a Senior Coordinator.

1) Have 3 Teams generating 15,000 PV and carry 2,500 PV in additional volume.
2) Within the Senior Coordinator Rank there are additional ranks that signify the number of months within the fiscal year that the Member has hit the Senior Coordinator level.
   a. Senior Coordinator – 1
   b. Senior Coordinator – 3
   c. Senior Coordinator – 6
   d. Senior Coordinator – 12

LIFE COACH

There is one way to qualify as a Life Coach.

1) Have 6 Teams generating 15,000 PV and carry 200 PV in additional volume.
2) Within the Life Coach Rank there are additional ranks that signify the number of months within the fiscal year that the Member has hit the Life Coach level.
   a. Life Coach – 1
   b. Life Coach – 3
   c. Life Coach – 6
   d. Life Coach – 12
3) A Life Coach will receive an achievement lapel pin with an interchangeable center signifying ranks within the rank.

EXECUTIVE, DOUBLE, TRIPLE, CROWN, AND CROWN AMBASSADOR LIFE COACH

Additional Life Coach Achievements.

1) Executive Life Coach – 9 Teams generating 15,000 PV
2) Double Life Coach – 12 Teams generating 15,000 PV
3) Triple Life Coach – 15 Teams generating 15,000 PV
4) Crown Life Coach – 18 Teams generating 15,000 PV
5) Crown Ambassador Life Coach – 20 Teams generating 15,000 PV
6) The additional ranks of 1, 3, 6 and 12 months are applicable for each of the Life Coach ranks
This program is for LIFE Members whose current rank is LIFE Coach 6 and above. It rewards a Member for developing teams that have Members with higher ranks and allows them to move up the rank chart with fewer teams. The program is based on a point system. The Member earns points based on the performance within a team and the accumulation of these points can result in achieving a higher rank for the Member.

**LIFE Coach Award Point Chart**

- 6 Month Team at 15k points - .5 points
- 12 Month Team at 15k points - 1 point
- Sr. Coordinator 6 - 1.5 points
- LIFE Coach 6 - 3 points

**LIFE Coach Award Rank Chart**

- LIFE Coach 12 - 8 points
- Executive LIFE Coach 6 - 10 points
- Executive LIFE Coach 12 - 12 points
- Double LIFE Coach 6 - 14 points
- Double LIFE Coach 12 - 16 points
- Triple LIFE Coach 6 - 18 points
- Triple LIFE Coach 12 - 20 points
- Crown LIFE Coach 6 - 22 points
- Crown LIFE Coach 12 - 25 points
- Crown Ambassador LIFE Coach 6 - 27 points
- Crown Ambassador LIFE Coach 12 - 30 points

**EXAMPLE:** A LIFE Coach 6, who has a LIFE Coach 6 in Team 1, a Senior Coordinator in Teams 2, 3, 4 and 5, and a 12 Month 15k point Team, would have a point total of 10. A point total of 10 would qualify the Member as an Executive LIFE Coach.
MONTHLY LEADER DEVELOPMENT COMMISSION BONUS CALCULATIONS

The following examples explain the Commission Bonus Calculations once the Customer Requirements have been fulfilled.

1. LEADER BONUS

A Member who has developed a Team that generates a minimum of 15,000 PV with 6,000 PV outside of that Team is eligible for an 8% Leader Bonus. The calculation of this bonus is a “bottom up” bonus calculation that begins with the first Member that has 15,000 PV. The 8% of 15,000 at a minimum is always passed upline for their Leader Bonus.

Example #1:
Team #1 has 15,000 PV and Outside Volume is 6,000 PV.

| Calculation of Leader Bonus: 8% x total volume 21,000 PV | = $1,680 |
| Less 8% of 15,000 PV | = $1,200 |
| Leader Bonus | $480 |

Example #2:
Team #1 has 20,000 PV and Outside Volume is 10,000 PV.

| Calculation of Leader Bonus: 8% x total volume 30,000 PV | = $2,400 |
| Less 8% of 20,000 PV | = $1,600 |
| Leader Bonus | $800 |

Once the Member has 15,000 PV outside of the Team with a minimum of 15,000 PV then the commission passed up is the lesser of the 8% outside and the 8% of the Team with greater than 15,000 PV.

Example #3:
Team #1 has 20,000 PV and Outside Volume is 17,000 PV.

| Calculation of Leader Bonus: 8% x Team #1 20,000 PV | = $1,600 |
| 8% of outside 17,000 PV | = $1,360 |
| Leader Bonus | $1,600 |

Member A has a qualified Leader in depth.

Example #4:
Member A’s Team #1 has 22,000 PV with Member B with 15,000 PV in Team #1 and 7,000 PV outside. Member A has 16,000 PV outside of Team #1.

| Member B’s Leadership Bonus is 8% of 7,000 PV | = $560 |
| Member A receives 8% of 16,000 PV | = $1,280 |

Member A receives the 1,280 because it is greater than the amount passed to Member A from Member B. The 1,200 from Member B is then passed from Member A to his upline.
As a Member develops additional Teams that hit the 15,000 PV level, the outside PV volume requirements are gradually reduced.

- 2 Teams – 4,000 PV
- 3 Teams – 2,500 PV
- 4 Teams – 1,500 PV
- 5 Teams – 1,000 PV
- 6 Teams – 200PV
- 7 Teams – 200PV
- 8 Teams – 200PV
- 9 and greater – n/a

**Example #5:**
Member A’s Team #1 20,000 PV, Team #2 15,000 PV, 4,000 PV Outside.

<table>
<thead>
<tr>
<th>Calculation of Leader Bonus:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member A receives 8% of Team #1 = $1,600</td>
<td></td>
</tr>
<tr>
<td>Member A receives 8% of 4,000 PV = 320</td>
<td></td>
</tr>
<tr>
<td><strong>Leader Bonus</strong></td>
<td><strong>$1,920</strong></td>
</tr>
</tbody>
</table>

8% of 15,000 PV is passed up to Member A’s upline.

### 2. LEADER DEPTH BONUS

In addition to qualifying for additional bonuses when you develop additional Teams that hit 15,000 PV in product volume, you are also rewarded with a Leader Depth Bonus as you develop additional qualified Leaders in depth within each of those teams.

**Qualifications**

1. Member must be a **Senior Coordinator**.
2. Member has to have at least one depth Leader under their first Leader in at least one of their 3 Teams.

A Member’s Leader Depth Bonus increases as they increase the number of Teams they have at the 15,000 PV level.

**Leader Depth Bonus Percentages**

- Senior Coordinator - 4%
- Life Coach - 2%
- Executive Life Coach - 1%
- Double Life Coach - .50%
- Triple Life Coach - .75%
- Crown Life Coach - .25%
- Crown Ambassador Life Coach - .15%

A Member will qualify for Leader Depth Bonuses on each Member Leader until a depth Member matches the achieved rank of the upline Member. At this point the upline Member will receive a Leader Depth Bonus on the first level of Leaders in each of the depth Member’s teams, but the Leader Depth Bonus for the 2nd level and below will go to the depth Member with the same achieved rank. The minimum bonus on the first level is based on 15,000 points. If the first level has less than 15,000 then the shortage is taken from the 2nd level.
The following examples explain the Commission Bonus Calculation once the Customer Requirements have been fulfilled.

**Example #1:**
Member is a Senior Coordinator with 3 Teams with multiple depth Leaders within each.

---

**Level 1 Depth Bonus Upline**

Member A qualifies for a Leader Depth Bonus on 2nd level and lower. There are 7 depth Leaders each with 15,000 PV

---

**Calculation of Leader Depth Bonus:**
Member A gets a Leader Depth Bonus on 7 depth Leaders.
4% of 15,000 PV = $600 x 7 = $4,200
Example #2:
Member is a Senior Coordinator with 3 Teams with multiple depth Leaders including one who is also a Senior Coordinator.

Calculation of Leader Depth Bonus:

Member A
4% of 15,000 PV = $600 x 8 = $4,800
4% of 3,000 PV = $120
Total Leader Depth Bonus = $4,920

Member B
4% of 15,000 PV = $600 x 1 = $600

The Leader Depth Bonuses for each of the levels are calculated using the same methodology.
3. COMPLETE BONUS CALCULATION

We have discussed several different types of Member commissions and bonuses so we thought it would be beneficial to review a complete example of a Senior Coordinator.

The following example explains the Commission Bonus Calculation once the Customer Requirements have been fulfilled.

Example: Member A is a Senior Coordinator with 3 Teams with multiple depth Leaders within each.

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Formula</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Customer Commission:</td>
<td>$300 \times 25%$</td>
<td>$75$</td>
</tr>
<tr>
<td>Personal Volume Calculation:</td>
<td>$300 \times 50%$</td>
<td>$150$</td>
</tr>
<tr>
<td>Differential Volume Calculation:</td>
<td>$5,000 \times (50% - 35%)$</td>
<td>$750$</td>
</tr>
<tr>
<td>Differential Volume Calculation:</td>
<td>$2,000 \times (50% - 25%)$</td>
<td>$500$</td>
</tr>
<tr>
<td>Leader Bonus – 3 Leader Legs:</td>
<td>$15,000 \times 8% \times 2$</td>
<td>$2,400$</td>
</tr>
<tr>
<td></td>
<td>$7,300 \times 8%$</td>
<td>$584$</td>
</tr>
<tr>
<td>Leader Depth Bonus – 7 Depth Leaders:</td>
<td>$15,000 \times 4% \times 7$</td>
<td>$4,200$</td>
</tr>
<tr>
<td>Leader Depth Bonus – Misc. Volume:</td>
<td>$(6,000 + 5,000) \times 4%$</td>
<td>$440$</td>
</tr>
</tbody>
</table>

Total Bonus for Member A: $9,099
LIFE Income Disclosure Statement

Thank you for taking the time to review this in-depth look at LIFE's Income Disclosure Statement (IDS). Due to the young age of the LIFE business, we have developed this information based on the nine-month period that most closely resembles a “typical” nine-month period consisting of May 2012 through January 2013. To be clear, the launch of LIFE just over a year ago on November 1, 2011, was by no means “typical.” We had thousands of Members that had pre-enrolled during October of 2011. Then, of course, these new Members needed time to get to know the LIFE business, so we allowed for an acclimation period of six months. After the settling period, LIFE went on as usual for another nine-month period, and then we took a snapshot of our statistics. If we had “done the math” right from the launch date and included data for the entire first year, our results would have appeared exaggerated and/or misleading due to the large number of pre-launch enrollments. After 2013, we will be sure to update our IDS annually with the most current and accurate data that we have available. In our effort to uphold our founders’ philosophy of integrity and transparent relationships, we present the following information.

It might be helpful to first explain that individuals join LIFE for a variety of reasons; however, there are basically only two ways to participate with LIFE: as a Customer or as a Member. Customers simply register for one or more of LIFE’s monthly subscriptions, enjoy the material, and are free to shop the LIFE products at their leisure. That’s it. If a Customer refers three other Customers who sign up for an equivalent value subscription, the original Customer’s subscription is free! We call this our 3-for-Free Program. Those are the basics of being a Customer.

Members, on the other hand, join LIFE with the intention of building a business and earning income and represent a broad spectrum of entrepreneurs. Some join with the goal of earning a little extra spending money, while others join LIFE with a very aggressive action plan and high aspirations. Members are still free to take advantage of the 3-for-Free Program, but the focus of a Member is building—both a business and an income.

One of the most attractive aspects of joining LIFE as a Member is the start-up cost that can be as low as $89.99 for the enrollment kit. This includes $200 in savings offers for equivalent purchases otherwise made à la carte, including the price of the first year’s membership fee. Then, for Members who choose the auto-renewal plan for their business, the membership fee is only $15 per year after that. The LIFE business proudly offers its Members a way to “start up” their own business at an extremely reasonable price without having to invest thousands of dollars into capital or inventory. Instead of having to buy and store large amounts of merchandise to support customer orders, LIFE Members simply sell the products and subscriptions as if they have their very own warehouse—without the overhead costs!

Of course, as with any business, LIFE business owners may incur various operational expenses such as those for their phone, computer, travel, etc. However, LIFE makes every effort to ensure the businesses of its Members are professionally operated at a fraction of the cost of more traditional businesses. After all, in order for the business of LIFE to prosper and grow, so must the businesses of its Members! Therefore, in addition to the low start-up cost and no requirement for inventory, LIFE offers a complete online business management system, corporate managed email blasts, and a variety of full-color, high-quality, low-cost brochures, pamphlets, and other sales aids that include the most recent and popular product information. And avoiding the costs of set-up charges, minimum orders, pre-loaded inventory, red tape, and so on saves LIFE Members time as well as money!
Approximately 60 percent of LIFE Members have continued to build their businesses beyond the first year. In other words, 40 percent of new LIFE Members did not continue to build a business within or after the first year. This business isn’t for everyone. Just like joining a new fitness club or enrolling in college, it requires a commitment, and individual results are a direct reflection of the Member’s effort. However, LIFE is well over the half-way mark in retaining new Members by offering a valuable business platform, and we are proud of this. Consider too that just like college freshmen, many newcomers only last a handful of weeks before quitting, yet their short stay is included in the calculation of the retention rates for the entire year. In fact, according to an article published by the New York Times in January of 2013, almost half of the students who begin college at a two- or four-year institution fail to earn a degree within six years. With that in mind, we believe we are doing quite well with our 60 percent retention rate after the first year.

The majority of our Members are ranked as “Students” and, as the term would imply, are still considered to be at some level of learning. The number following the rank in the chart below distinguishes a Point Volume (PV) level associated with the title of Student, Leader, etc. The first six months of any new Membership are considered to be an “Apprentice” level, so you can easily distinguish newer Members on the chart below. To give all new Members a chance to get their feet wet, LIFE does not require new Members to meet any customer sales requirements in order to earn monthly commissions. The rank progressions (explained in detail in the LIFE Member Compensation Plan) basically coincide with a Member’s progress in the business. The more a Member achieves, the more he or she is rewarded.

After new Members complete the six-month Apprentice period, they must maintain a monthly, registered customer sales requirement of 50 PV in order to earn commissions from their downline. We consider this easily achieved.

A close look at the IDS Chart reveals a “flip” of the percentages moving from the Non-Qualified column to the Qualified Members column. This is where the differences among Members can really be seen! Almost every Student level Member ranks in the Non-Qualified Members column, which demonstrates that these people are very new or are not necessarily involved with LIFE to earn commissions. Those with the beginner rank of Student don’t begin to enter the Qualified Member list until they hit about the 1,500 PV level or higher. In other words, the Members that are genuinely trying to build a business and earn income are the ones listed in the Qualified Members column; these are the entrepreneurs that are committed and really work hard at their business.

The largest area of turnover in the LIFE business rests in the Student levels. This is the group of Members that are trying out the business and deciding if it’s a good fit for them. Since most new LIFE Members make this decision within the first year, the greatest turnover is naturally seen in the beginner ranks.

We strongly urge anyone wishing to gain a full understanding of the data in this report to study the LIFE Compensation Plan. We are extremely pleased to present one of the industry’s most competitive and generous plans! And the IDS will be a lot more fun to study and will make a much more sense to those who have familiarized themselves with the Compensation Plan.

We hope this overview has been helpful.
### May 2012 - January 2013 Monthly Income for Qualified Members by Rank

<table>
<thead>
<tr>
<th>Member Rank</th>
<th>Percentage of All Members by Rank</th>
<th>Average Earnings per Check</th>
<th>Percent of Non-Qualified Members Within Rank</th>
<th>Percent of Qualified Members Within Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprentice</td>
<td>1.08%</td>
<td>$45.86</td>
<td>4.04%</td>
<td>65.81%</td>
</tr>
<tr>
<td>Non-Qualified Member</td>
<td>1.42%</td>
<td>$87.38</td>
<td>2.58%</td>
<td>64.85%</td>
</tr>
<tr>
<td>Apprentice</td>
<td>1.60%</td>
<td>$52.40</td>
<td>2.92%</td>
<td>59.17%</td>
</tr>
<tr>
<td>Non-Qualified Member</td>
<td>1.94%</td>
<td>$37.04</td>
<td>4.82%</td>
<td>57.05%</td>
</tr>
<tr>
<td>Apprentice</td>
<td>2.20%</td>
<td>$39.84</td>
<td>4.04%</td>
<td>57.61%</td>
</tr>
<tr>
<td>Non-Qualified Member</td>
<td>2.62%</td>
<td>$40.66</td>
<td>6.78%</td>
<td>54.50%</td>
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<tr>
<td>Apprentice</td>
<td>3.99%</td>
<td>$51.84</td>
<td>6.78%</td>
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<td>Non-Qualified Member</td>
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<td>6.78%</td>
<td>47.43%</td>
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<tr>
<td>Apprentice</td>
<td>7.01%</td>
<td>$39.93</td>
<td>6.78%</td>
<td>47.43%</td>
</tr>
<tr>
<td>Non-Qualified Member</td>
<td>7.93%</td>
<td>$33.93</td>
<td>6.78%</td>
<td>47.43%</td>
</tr>
<tr>
<td>Apprentice</td>
<td>10.8%</td>
<td>$98.93</td>
<td>6.78%</td>
<td>47.43%</td>
</tr>
<tr>
<td>Non-Qualified Member</td>
<td>14.1%</td>
<td>$118.93</td>
<td>6.78%</td>
<td>47.43%</td>
</tr>
</tbody>
</table>

#### Note
- The figures above do not represent a Member's profit, as they do not consider operational or promotional business expenses incurred by the business. Expenses for Members can be substantial and vary greatly depending on the size and scope of their business. It's important to consider these expenses when projecting potential profits.
- Expenses for Members can be several thousand dollars annually. Members should factor in estimated expenses when projecting potential profits. Such operating expenses could include advertising and promotional expenses, product samples, training, travel, internet and miscellaneous expenses.
- The incomes displayed on this document include the cash value of LIFE's incentive trip programs. The expenses a Member incurs in operating a LIFE business may vary widely. Members should closely consider their business expenses when projecting potential profits.

### Conclusion
- Successful LIFE Members require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities. Members who do not continue with LIFE after their first year represent 40.4% of all Members. During 2012, 31.47% of all Members received no income at all.
- The average monthly income for all Members (Apprentice, Non-Qualified, Qualified) was $38.48.

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**Income Disclosure Statement**

**From successful LIFE stories, which feature hard work, dedication, and perseverance, your success will depend upon how effectively you exercise these qualities.**

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**Life Coach**

- The table above shows the percentage of Qualified Members who received compensation for 1 to 9 months during the period of May 2012 - January 2013. The earnings of the Qualified Members in this chart are not necessarily representative of the income, if any, that a Qualified LIFE Member can or will earn through his or her participation in the LIFE Member Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. Success with LIFE results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities.
### LIFE

#### 2012 Qualified Member Gross Earnings

<table>
<thead>
<tr>
<th>Average Payments Made by LIFE in 2012</th>
<th>% of Total Active Members</th>
<th>Average Gross Annual Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than $100,000</td>
<td>0.18%</td>
<td>$365,263</td>
</tr>
<tr>
<td>$75,001 - $100,000</td>
<td>0.13%</td>
<td>$88,071</td>
</tr>
<tr>
<td>$50,001 - $75,000</td>
<td>0.52%</td>
<td>$60,950</td>
</tr>
<tr>
<td>$25,001 - $50,000</td>
<td>1.36%</td>
<td>$36,357</td>
</tr>
<tr>
<td>$10,001 - $25,000</td>
<td>2.33%</td>
<td>$14,142</td>
</tr>
<tr>
<td>$5,001 - $10,000</td>
<td>3.48%</td>
<td>$7,063</td>
</tr>
<tr>
<td>$1,001 - $5,000</td>
<td>31.75%</td>
<td>$2,057</td>
</tr>
<tr>
<td>$0 - $1,000</td>
<td>60.24%</td>
<td>$467</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$3,108</strong></td>
</tr>
</tbody>
</table>