

See What LIFE Has in Store for You.



MEMBER COMPENSATION PLAN

2015

INCOME DISCLOSURE STATEMENT

JANUARY 1, 2015 - UNITED STATES





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WELCOME

Thank you for your interest in LIFE Leadership!

We are a direct sales company that specializes in producing personal development materials across a wide range of media. LIFE Members earn money from the sale of our products to customers and from the overall sales volume of other LIFE Members they involve in the program.

Therefore, LIFE Members are in the business of improving people's lives by providing them LIFE-changing information. To do this, they invest their time in two main activities:

1. *Merchandising LIFE Leadership products to customers, and*
2. *Enlisting other people to do the same (which is optional).*

LIFE Members are compensated through a multifaceted pay plan. Depending upon how you slice it, there are 15 (and ½) ways for you to make money with LIFE Leadership. We will go through each one briefly, just to give you a feeling for what they are, followed by some examples, and then provide a bunch of details for each at the end. Further, in the pages to follow, you will find the actual income averages* for people at various levels in the pay plan (along with a lot of legaleeze you should be sure to read, if you want to skip ahead)!

*All amounts presented in the document are in US dollars.

THE 15 (AND 1/2) WAYS OF MAKING MONEY

#1. Retail Sales Margin

25%

You make 25% on all products you merchandise to Registered Customers (those verified through a free registration on our website), all the time and every time. These are totaled up and paid to you monthly.

Group volume = the total volume of the LIFE Members in your team(s)

We track these different types of volume through something called Point Value, or “PV,” which are merely points assigned to each product. This is usually of the ratio \$1 = 1 PV, but for books it is cut in half (\$1 = 1/2 PV). There are other exceptions, but this is a pretty good rule of thumb.

#1½. The “3 for FREE”

Customer Referral Program



Okay, this isn’t really an “income,” per se. That’s why we are calling it 15 and 1/2 ways of making money, because since you get something from it we thought we’d tell you about it anyway. And since we’re talking about customers, this is the perfect place to do so.

The following is called our Bonus Chart, and is used to calculate many of the remaining ways of making money.

You see, any month in which you get three customers who subscribe to products at or above the amount at which you are subscribing to products for yourself, you get yours for free! While that’s pretty nice, this is actually designed to be a customer referral program to incentivize your *customers* to bring you more customers. So this really gets exciting when one of your customers attracts three additional customers for you, each of which are subscribing to products at or above *his or her* amount. In such a case, that referring customer gets *his or her* products for free! This all occurs monthly.

#2, #3, and #4. Bonus Chart Commissions

As you build a team of LIFE Members, each of them will also generate product flow through sales to customers and purchases for their own personal use. This means that you will have three types of product volume:

Personal volume = products you buy for your own use (or for use in sales demonstrations or to sell to customers directly without registering them on the website)

Customer volume = products sold to your Registered Customers (those who register on the website)

PV	Bonus %
15,000	50%
10,000	45%
6,000	40%
4,000	35%
2,500	30%
1,500	25%
1,000	20%
600	15%
300	10%
150	5%

#2. Personal Bonus – This is simply the money you get back on products you have bought for your own use (or for use in sales demonstrations or to sell to customers directly without registering them on the website).

#3. Customer Bonus – This is simply the money you earn on product sales to Registered Customers (those who register for free on the website). Note that this is *in addition* to the Retail Sales Margin paid in #1, and is a second way of making money from those very same sales.

#4. Differential Bonus – This is the money paid to you based upon the differential of where your total volume is on the Bonus Chart and the total volume

of your downline team (or teams). This is where you get compensated for helping develop product flow for the LIFE Members in your team.

Each of these three bonuses is paid monthly.



#5. Performer's Incentive Trip

Lots of companies have incentive trips to reward their top performers. But we wanted to do things a little differently. Instead of a "someday" trip made available to the top producers in the company, we wanted a trip that could be earned on the earlier side of someone's experience with us. We felt this would be much more exciting and motivate a new LIFE Member to start quickly.

What resulted was the *Performer's Trip* in which a LIFE Member who generates roughly \$6,000 of business for six straight months (with some other requirements we'll talk about later) gets to go on an expense-paid dream vacation. This is not a business conference in disguise, but a true-blue no-kidding-around vacation. You pick from our current list of fabulous destinations, choose the time you'd like to go, and determine whom you want to take along! As of the date of this publication, available destinations include:

- Disneyworld in Orlando, Florida
- Arenal, Costa Rica
- A Bahamas cruise on the Oasis of the Seas ship
- Sandals Resort in Negril, Jamaica

This award is paid once.

#6. Community Advancement Bonus (CAB)

This is a monthly bonus paid to LIFE Members beginning at the "Performer" level. These payouts are given based upon both the Rank achieved (more on Ranks later) and a corresponding number of Total Access (a live event and media library product we offer) subscriptions sold per downline team.

CAB is an advancement bonus, which means that in order to qualify for the full value of the bonus a Member must advance one Rank on the CAB chart each year. The bonus is discounted 25% each year an advance in Rank is not achieved.

#7. Leader Bonus

The Leader Bonus rewards a LIFE Member for actively helping other LIFE Members in his or her team accomplish the level of Leader (the top of our Bonus Chart) themselves. For doing so, the upline Leader starts to receive an 8% bonus. This is paid monthly.

#8, #9, #10, #11, #12, #13, and #14. Depth Bonuses

Working in much the same way as the Leader Bonus from #7 above, the Depth Bonuses reward a LIFE Member for hitting higher and higher ranks him or herself and for developing more and more Leaders in each of his or her teams. As a result, he or she accumulates additional depth bonuses of first 4%, then 2% more, then 1% more, then .75% more, then .50% more, then .25% more, and finally .15% more, for each Leader in depth. One must be a Senior Coordinator to be eligible. These are also paid monthly.

#15. One-Time Cash Awards (OTCA)

These one-time bonuses are paid to LIFE Members for achieving certain qualifying Ranks and continuing to qualify at that level for a period of 6 months and then again for 12 consecutive months. It is possible to earn multiple One-Time Cash Awards in a single year and also to continue a qualification period stretching from one calendar year into the next.

For the complete details regarding One-Time Cash Awards enter the LIFE Leadership Website and from the main menu select My Business/Compensation/One Time Cash Awards.



RANK ACHIEVEMENT

Now that you've seen the quick overview of the 15 (and ½) ways of making money, let's consider the recognition for achievement that is also available for LIFE Members. Recognition is provided at our live and web-broadcast events, and is also commemorated with a lapel pin program. Understanding LIFE Leadership's Ranks will also help you make more sense of the various ways of making money.

Student 150 through Student 15,000

During the time when a LIFE Member is working his or her way up our Bonus Chart, he or she is referred to as a "Student." Therefore, a LIFE Member with a total volume of 2,500 PV would be called a "Student 2,500."

There are certain Student levels that qualify a LIFE Member for special stage recognition at our live events, and for a decorative lapel pin. These are:

- Student 1,000
- Student 2,500
- Student 6,000
- Student 10,000

Performer and Senior Performer

There are two points along your journey up the Bonus Chart in the "Student" Ranks where you can receive special Rank recognitions called Performer and Senior Performer based upon how your organization is structured. These are at the 6,000 PV level and at the 10,000 PV level. Achieving Student 6,000 with at least 2,000 of your PV outside your first team qualifies you for the Rank of Performer, while achieving Student 10,000 with at least 3,000 PV outside your first team qualifies you for the Rank of Senior Performer.

Leader

Once a LIFE Member's total volume is at or above 15,000 PV (the top of our Bonus Chart), depending upon the structure of that volume, the LIFE Member may qualify for the Rank of "Leader." In essence, there are two ways that volume at or above 15,000 PV qualifies a LIFE Member for the Rank of Leader. They are:

1. *Registered Customer volume, personal volume and group volume totaling 15,000 PV or higher, or*
2. *Having one downline team generating 15,000 PV or more, with at least 6,000 PV additional volume outside that team (This can be the total of personal volume, customer volume, and volume from additional outside teams.)*

Leader 1, 3, 6, and 12

In order to incentivize a Leader to continue his or her performance month to month, we have also designated additional Ranks to show the number of months within a calendar year the LIFE Member has achieved that Rank. For instance, if a LIFE Member achieves the Rank of Leader for 6 months, he or she will be recognized as a "Leader 6." This same designation system is used for all the Ranks above the Leader level.

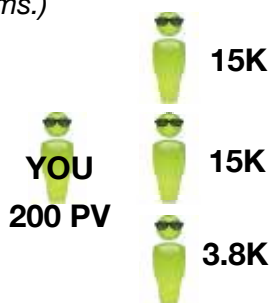
Leader 6's and Leader 12's are recognized at our live and web-broadcast events.

Coordinator 1, 3, 6, and 12

Coordinators are LIFE Members who have built a business that has:

1. *Two Teams simultaneously generating 15,000 PV or more, and*

2. Volume outside of those two teams of at least 4,000 PV (This can be the total of personal volume, customer volume, and volume from additional outside teams.)

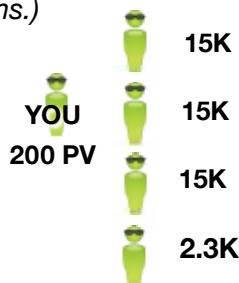


As with the Leader Rank, additional Coordinator Ranks of 1, 3, 6, and 12 are also designated. Coordinator 6's and Coordinator 12's are recognized at our live and web-broadcast events.

Senior Coordinator 1, 3, 6, and 12

Senior Coordinators are LIFE Members who have built a business that has:

1. Three Teams simultaneously generating 15,000 PV or more, **and**
2. Volume outside of those three teams of at least 2,500 PV (This can be the total of personal volume, customer volume, and volume from additional outside teams.)



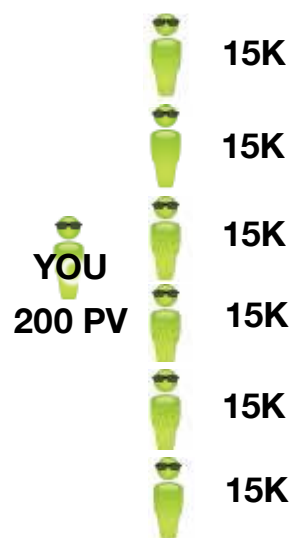
Additional Senior Coordinator Ranks of 1, 3, 6, and 12 are also designated. Senior Coordinator 6's and Senior Coordinator 12's are recognized at our live and web-broadcast events.

LIFE Coach 1, 3, 6, and 12

LIFE Coaches are LIFE Members who have built a business that has:

1. Six teams simultaneously generating 15,000 PV or more, **and**

2. Volume outside of those six teams of at least 200 PV (This can be the total of personal volume, customer volume, and volume from additional outside teams.)



Additional LIFE Coach Ranks of 1, 3, 6, and 12 are also designated. LIFE Coach 6's and LIFE Coach 12's are recognized at our live and web-broadcast events.

Executive, Double, Triple, Crown, and Crown Ambassador LIFE Coaches 1, 3, 6, and 12

Additional LIFE Coach Rank Achievements are as follows:

Executive LIFE Coach = Nine teams simultaneously generating 15,000 PV

Double LIFE Coach = Twelve teams simultaneously generating 15,000 PV

Triple LIFE Coach = Fifteen teams simultaneously generating 15,000 PV

Crown LIFE Coach = Eighteen teams simultaneously generating 15,000 PV

Crown Ambassador LIFE Coach = Twenty teams simultaneously generating 15,000 PV

Additional Ranks for each of these of 1, 3, 6, and 12 are also designated. As with all other Ranks discussed, each of these at 6 and 12 months are recognized at our live and web-broadcast events.



Additional Ways to Qualify for the Ranks of LIFE Coach 12 and Above

This particular program is designed to reward those LIFE Members who are especially adept at building enormous downline teams, allowing them to achieve higher and higher LIFE Coach Ranks without necessarily having to add as many new teams to their business.

Here is how it works:

For any LIFE Member with a LIFE Coach 6 business or higher, the following “points” will be credited for his or her performance within a calendar year.

Points	New LIFE Coach Rank
8	LIFE Coach 12
10	Executive LIFE Coach 6
12	Executive LIFE Coach 12
14	Double LIFE Coach 6
16	Double LIFE Coach 12
18	Triple LIFE Coach 6
20	Triple LIFE Coach 12
22	Crown LIFE Coach 6
25	Crown LIFE Coach 12
27	Crown Ambassador LIFE Coach 6
30	Crown Ambassador LIFE Coach 12

- A team of 15,000 PV or more for 6 -11 months = .5 Points
- A team of 15,000 PV or more for 12 months = 1 Point
- A team with a Sr. Coordinator 6 or higher = 1.5 Points
- A team with a LIFE Coach 6 or higher = 3 Points

Then, adding up these points for each team, a LIFE Member’s total on the following chart could qualify him or her for a new LIFE Coach Rank (for purposes of recognition, Depth Bonuses, and One-Time Cash Awards):



CUSTOMER REQUIREMENTS

In order for LIFE Members to receive compensation in the LIFE Leadership Compensation Program (with the exception of money made directly from retail sales), LIFE Members are required to have monthly customer sales of a minimum of 50 PV. A minimum of 25 PV of this must come from Registered Customers (those who have registered as customers for free on our website). LIFE Members are allowed to “self report” (on our website) up to 50% or half of the 50 PV customer requirement. Or a LIFE Member can meet his or her monthly customer requirement by selling a Mental Fitness Challenge (our flagship product) to a customer who completes the product registration.

We require this “customer registration” process because it helps us verify that these sales have been made to legitimate customers.

Also, remember that sales made to Registered Customers have their PV halved because LIFE Members receive a 25% retail sales margin for each of these sales (because 25% is half of the 50% Bonus Chart).

Let’s state all of this more simply. In order for a LIFE Member to be eligible for all of the LIFE Leadership Compensation Program, he or she must:

1. *Generate 50 PV that month in customer volume, AND*
2. *At least 25 PV of this must be to a Registered Customer, OR*
3. *Both 1 and 2 are waved if a Mental Fitness Challenge pack is sold and the customer registers his or her new product on our website.*

Don’t worry, this is simpler than it sounds once you get underway. And, just to put you at ease and give you time to get used to all of this, none of these requirements apply to you until you enter your 7th month of business as a LIFE Member. So there is plenty of time to learn the ropes and develop a clientele.

TRIP TRACKING REQUIREMENTS

It is important to know that three of the 15 (and ½) ways of making money require the LIFE Member to be a qualified “Trip Tracker.” These are the following:

1. Performer’s Incentive Trip
2. Community Advancement Bonus
3. One-Time Cash Awards

Trip Tracking is the process of generating 200 PV in Personal and Registered Customer volume each month and also meeting the 50 PV customer volume requirement (referenced in the previous section) on a continuous monthly basis. Remember that new Members have until their 7th month before the customer volume requirement kicks in.

When a LIFE Member meets these requirements, he or she is awarded 200 “Trip Points” toward the Performer’s Incentive Trip.

LIFE Members have the opportunity to earn 1,000 *Bonus Trip* Points by taking advantage of the Professional Business Owner (PBO) program. The first time any LIFE Members meets the PBO qualifications they are awarded 1,000 bonus points. For complete details on the PBO program, select the PBO icon from the private side landing page of the LIFE Leadership website.

A complete explanation of how to qualify for the Performer’s Incentive Trip, the Community Advancement Bonus and the One-Time Cash Awards will be provided a little later. The key thing to note at this point is that the sooner you begin “Trip Tracking,” the sooner you get to earn your trip!



CHART OF THE 15 (AND 1/2) WAYS OF MAKING MONEY

It may be helpful at this point to summarize the details of the various ways of making money, when they are paid, and the requirements for each.

The 15 and 1/2 Ways of Making Money	Amount	Paid Out	Customer Requirement Necessary to Receive?	Trip Tracking Required?
1. Retail Sales Margin	25%	Monthly	No	No
1 1/2. 3 For Free	Free Product Subscription	Monthly	No	No
Bonus Chart Commissions				
2. Personal Bonus	5-50%	Monthly	No	No
3. Customer Bonus	5-50% (In addition to 25% Sales Margin)	Monthly	No	No
4. Differential Bonus	5-50%	Monthly	Yes	No
5. Performer's Incentive Trips	\$3,000	Once	Yes	Yes
6. CAB	(See CAB Chart page 14)	Monthly	Yes	Yes
7. Leader Bonus	8%	Monthly	Yes	No
Depth Bonuses				
8. Senior Coordinator	4%	Monthly	Yes	No
9. LIFE Coach	2%	Monthly	Yes	No
10. Executive LIFE Coach	1%	Monthly	Yes	No
11. Double LIFE Coach	.75%	Monthly	Yes	No
12. Triple LIFE Coach	.50%	Monthly	Yes	No
13. Crown LIFE Coach	.25%	Monthly	Yes	No
14. Crown Ambassador LIFE Coach	.15%	Monthly	Yes	No
15. OTCA	(See OTCA Chart page 15)	Once Each	Yes	Yes

BONUS CALCULATION EXAMPLES

PV	Bonus %
15,000	50%
10,000	45%
6,000	40%
4,000	35%
2,500	30%
1,500	25%
1,000	20%
600	15%
300	10%
150	5%

Now, let's consider some examples to help you better understand the different ways of earning bonuses.

1. Retail Sales Margin

For this example, let's say you merchandise a \$100 (and 100 PV) product to a customer, and you do so by helping him or her register for free as a customer on our website.

Your Retail Sales Margin income from this sale would be calculated as follows:

$$100 \text{ PV} \times 25\% = \$25$$

2. Personal Bonus

You purchase \$200 (and 200 PV) in merchandise for personal use, sales demonstrations, and inventory for direct sales to customers. Your total PV for the month, which is the sum of personal volume, customer volume, and group volume, is 1,000 PV, which places you at the 20% level on the Bonus Chart.

You Personal Bonus income from the 200 PV that you purchased would be calculated as follows:

$$200 \text{ PV} \times 20\% = \$40$$

3. Customer Bonus

Remember the \$100 (and 100 PV) sale you made to a Registered Customer that we talked about in the Retail Sales Margin example (#1 above)? Well, in addition to earning the Retail Sales Margin, you

also earn a Customer Bonus on that sale. This is calculated by multiplying the Registered Customer PV by 50% and then by your Bonus Chart bonus percentage, which in this example is 20% because your total PV is 1,000 (sticking with the level we used as an example in #2 above).

$$100 \text{ PV} \times 50\% = 50 \text{ PV} \times 20\% = \$10$$

4. Differential Bonus

As a reminder, the Differential Bonus is the money you earn based on the difference between your total PV Bonus Chart percentage and your downline team (or teams) total PV Bonus Chart percentage.

Example #1

You have one downline team

Your total PV is 1,500 and therefore 25% on the Bonus Chart.

You have one downline team whose total PV is 1,000 and 20% on the Bonus Chart.

Your Differential Bonus would be:

$$25\% - 20\% = 5\% \times 1,000 \text{ PV} = \$50$$



Example #2

You have multiple downline teams.

Your total PV is 6,000 and therefore 40% on the Bonus Chart.

Your 1st downline team has a total PV of 4,000, which is 35% on the Bonus Chart.

Your 2nd downline team has a total PV of 1,500, which is 25% on the Bonus Chart.

Your 3rd downline team has a total PV of 300, which is 10% on the Bonus Chart.

Your Differential Bonus would be:

$40\% - 35\% = 5\% \times 4,000 = \200
 $40\% - 25\% = 15\% \times 1,500 = \225
 $40\% - 10\% = 30\% \times 300 = \90
 $\$200 + \$225 + \$90 = \515



5. Earning the Performer's Incentive Trip

Qualifications:

- Accumulate 3,000 Trip Points total, while also building your business to the following structure:
- A minimum total of 6,000 PV for 6 consecutive months with a minimum of 2,000 PV of that outside of your first team.

Example:

You enroll as a new Member in January and start Trip Tracking (which means you are generating a minimum of 200 PV in customer and personal volume) in your 1st month. Additionally, let's say you become a 1st time PBO and therefore earn 1,000 Bonus Trip Points for a total of 1,200 Trip Points.

You continue Trip Tracking each month for the next 3 months (February - April) at 200 Trip Points each month for an additional 600 Trip Points.

Starting in your 5th month and continuing through your 10th month (6 consecutive months May - October) you achieve and continue to qualify at the Performer Rank, and you continue to Trip Track during those 6 months for an additional 1,200 Trip Points.

So your Trip Point tally would look like this:

January	1,200
February – April	600
May – October	1,200
Total	3,000

And you also qualify at the Performer level 6 Months: May through October.

You would finish qualifying for the Performer's Trip in October. Congratulations! Now choose your destination and pack your bags!

Note: If you complete the PV portion of the qualification before the Trip Point qualification you must continue to meet the PV qualification in consecutive months until the 3,000 Trip Points are accumulated.

6. Earning a Monthly Community Advancement Bonus (CAB)

Earning a CAB is based on the combination of a Member's Rank Achievement (beginning at "Performer") and the number of Total Access subscriptions.

Let's say that you achieve the Rank of Coordinator 6. At this Rank you need the following minimum Total Access subscriptions.

1. Team #1 – 90 Total Access Subscriptions
2. Team #2 – 60 Total Access Subscriptions
3. Additional outside of #1 and #2 – 16 Total Access Subscriptions

Your Community Advancement Bonus in such a month would be (see page 14): **\$3,700**

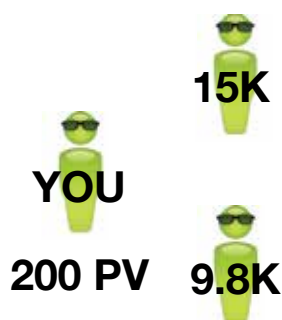
7. Leader Bonus

You qualify for a Leader Bonus when you are a Leader who has helped one of your teams generate a minimum of 15,000 PV, and at the same time you have more than 6,000 additional PV outside of that team.

Let's consider an example in which your total PV is 25,000 and you have one team with exactly 15,000 PV, which means you have 10,000 PV outside of that. Your Leader Bonus is calculated as follows:

$$25,000 \text{ PV} - 15,000 \text{ PV} = 10,000 \text{ PV} \times 8\% = \$800$$

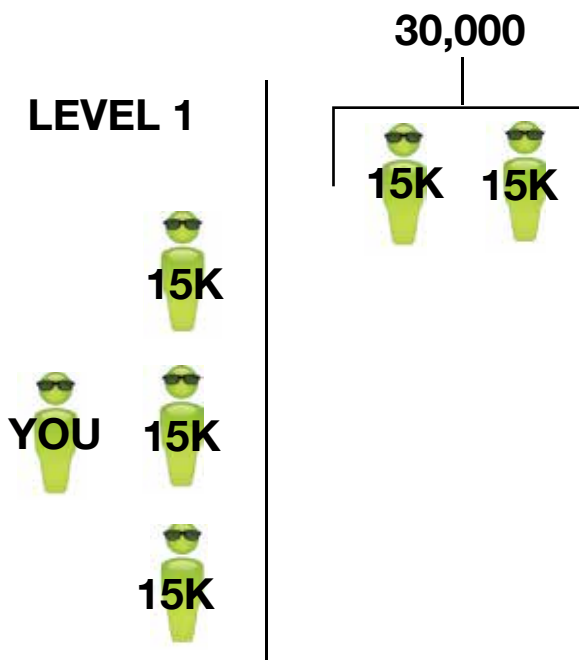
Note that your 8% bonus is calculated on all your volume outside of that downline Leader.



8-14. Depth Bonuses

Below is an example of the first Depth Bonus, which is the 8th way to earn income. The additional Depth Bonuses (#9 through #14 ways of making money) are calculated in the same way, and are simply cumulative.

Let's consider an example in which you are a Sr. Coordinator, and in one of your teams you have a Leader who also has 2 Leaders (each having 15,000 PV) in depth. Therefore you qualify for the Senior Coordinator Depth Bonus of 4% on the PV in depth below the 1st leader (so 4% on that 30,000 PV shown).



15. One-Time Cash Awards

Now, consider an example in which you are a Leader 12 for the first time in your LIFE Leadership history. Since this is the first time you have achieved this rank, you have earned a One-Time Cash Award.

Your Leader 12 One-Time Cash Award would be (see page 15): **\$12,000**



LIFE LEADERSHIP

Community Advancement Bonuses (CAB)

Rank Achieved in Bonus Period	Corresponding Total Access Sales Requirement†	Monthly CAB (\$)
Performer*	24 Total with 9 Outside	400
Sr. Performer**	40 Total with 14 Outside	800
Leader***	60 Total with 22 Outside	1,500
Leader + 10K	60/40	2,500
Leader + 15K	60/60	3,300
Coordinator	90/60/16	3,700
Coordinator + 10K	90/60/40	5,500
Coordinator + 15K	90/60/60	7,000
Sr. Coordinator	120/90/60/10	8,000
Sr. Coordinator + 10K	120/90/60/40	11,000
Sr. Coordinator + 15K	120/90/60/60	12,500
Sr. Coordinator 4 Teams	150/120/90/60	14,500
Sr. Coordinator 4 Teams + 10K	150/120/90/60/40	16,500
Sr. Coordinator 4 Teams + 15K	150/120/90/60/60	18,000
Sr. Coordinator 5 Teams	180/150/120/90/60	20,000
Sr. Coordinator 5 Teams + 10K	180/150/120/90/60/40	23,000
Sr. Coordinator 5 Teams + 15K	180/150/120/90/60/60	25,000
LIFE Coach	210/180/150/120/90/60	Profit Sharing

* Performer - 6,000 total PV with a minimum of 2,000 outside of Team 1.

** Sr. Performer - 10,000 total PV with a minimum of 3,000 outside of Team 1.

*** If you are a Leader with a Leader in Team 1 the Total Access requirement is 60 in Team 1 with 22 outside.

† Total Access – Is a live event and audio/video library subscription product.

2015 One-Time Cash Awards (OTCA)

Rank	Amount
Leader 6	6,000
Leader 12	12,000
Coordinator 6	7,500
Coordinator 12	15,000
Sr. Coordinator 6	16,000
Sr. Coordinator 12	32,000
LIFE Coach 6	60,000
LIFE Coach 12	120,000
Executive LIFE Coach 6	120,000
Executive LIFE Coach 12	180,000
Double LIFE Coach 6	180,000
Double LIFE Coach 12	250,000
Triple LIFE Coach 6	250,000
Triple LIFE Coach 12	375,000

For the complete details regarding One-Time Cash Awards enter the LIFE Leadership Website and from the main menu select My Business/Compensation/One Time Cash Awards.



LIFE LEADERSHIP INCOME DISCLOSURE STATEMENT (IDS)

Thank you for taking the time to review this in-depth look at LIFE Leadership's Income Disclosure Statement (IDS). The LIFE Leadership IDS is updated each year with the most recent year's Member performance. This year's IDS is based on Member performance from January 2014 through December 2014. In our effort to uphold our founder's philosophy of integrity and transparent relationships, we present the following information.

It might be helpful to first explain that individuals join LIFE Leadership for a variety of reasons; however, there are basically only two ways to participate with LIFE Leadership: as a Customer or as a Member. Customers simply register for one or more of LIFE Leadership's monthly subscriptions, enjoy the material, and are free to shop for 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 Leadership 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 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 Leadership as a Member is the low start-up cost of only \$99.99 for the enrollment kit, which includes a product catalog, a sampling of several products, a decal, a 30-day trial to online content and live / video events. For Members who choose the auto-renewal plan for their business, the membership fee is only \$15 per year after that (\$19 otherwise). LIFE Leadership 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 Leadership 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 Leadership Members may incur various operational expenses such as those for their phone, computer, travel, etc. However, LIFE Leadership 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 to prosper and grow, so must the businesses of our Members. Therefore, in addition to the low start-up cost and no requirement for inventory, LIFE Leadership 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 Leadership Members time as well as money.

It's important to also point out that all of LIFE Leadership's products and training materials are backed by a no-questions-asked, 30-day, 100% money-back guarantee.

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 Leadership 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 51 percent retention rate.

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 on page 18 distinguishes a Point Value (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 on page 18.

To give all new Members a chance to “get their feet wet,” LIFE Leadership does not at first require new Members to meet any customer sales requirements in order to earn monthly commissions. After new Members complete the six-month Apprenticeship period, they must maintain a monthly, customer sales requirement of 50 PV in order to earn commissions from their downline. A minimum of 25 PV must be from Registered Customers and no more than 25 PV can come from self-reported customer sales. We consider this easily achieved.

A close look at the IDS Chart on the following page 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 Leadership 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 who are committed and really work hard at their business. The IDS Chart on the following page reveals the largest area of turnover in LIFE Leadership rests in the Student levels. This is the group of Members who are trying out the business and deciding if it’s a good fit for them. Since most new LIFE Leadership 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 Leadership 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 much more sense to those who have previously familiarized themselves with the Compensation Plan.



Income Disclosure Statement (IDS)

Member Rank	Percentage of All Members by Rank	Percent of Apprentice Members within Rank	Percent of Non-Qualified Members within Rank	Percent of Qualified Members within Rank	January 2014 - December 2014 Monthly Income for Qualified Members by Rank			Number of Months as a Qualified LIFE Member		
					High	Low	Average	High	Low	Average
Student	28.207%	43.479%	56.390%	0.131%	162.50	0.00	25.82	22	22	22
Student 150	11.664%	52.968%	45.537%	1.496%	149.13	13.75	37.23	38	7	24
Student 300	14.482%	44.083%	52.543%	3.374%	249.50	15.00	57.24	38	7	22
Student 600	11.335%	34.815%	58.441%	6.743%	502.50	7.50	80.05	38	7	21
Student 1,000	8.951%	26.990%	62.408%	10.602%	472.00	6.94	111.89	38	7	22
Student 1,500	9.555%	18.479%	65.669%	15.852%	867.25	0.00	137.89	38	7	24
Student 2,500	6.318%	11.445%	65.797%	22.759%	1,181.83	18.00	189.59	38	7	26
Student 4,000	3.615%	7.544%	64.007%	28.449%	1,464.75	0.00	270.10	38	7	29
Student 6,000	3.098%	3.364%	62.275%	34.361%	5,823.15	22.50	554.15	38	7	32
Student 10,000	1.215%	2.371%	57.625%	40.003%	4,903.28	12.50	616.04	38	7	32
Student 15,000	1.110%	0.243%	60.612%	39.145%	2,297.38	0.00	426.75	38	8	34
Leader	0.346%	0.300%	1.318%	98.382%	17,712.45	868.68	3,430.58	38	7	35
Coordinator	0.051%	0.813%	0.407%	98.780%	37,730.32	2,269.66	6,507.87	38	16	36
Sr. Coordinator	0.042%	0.000%	0.000%	100.000%	55,468.14	3,757.55	15,330.08	38	16	37
LIFE Coach +	0.012%	0.000%	0.000%	100.000%	1,041,190.37	11,359.95	137,441.00	38	38	38

The income statistics above are for all Qualified U.S. LIFE Members who were eligible for commissions beginning in January 2014 through December 2014. A "Qualified Member" is defined as a Member who has met the minimum monthly customer sales requirements and is therefore eligible to earn commissions. LIFE understands that it takes time to start a business, learn the basics of operations and to develop customers, so LIFE starts each Member as an Apprentice and gives them 6 months to develop a customer base that meets the customer sales requirement. Non-Qualified Members are Members who have completed their 6 month apprenticeship, but have not met the customers sales requirements. The average monthly income for all Members (Apprentice, Non-Qualified, Qualified) was \$62.97.

50.76% of Members do not continue with LIFE after their first year. From January 2014 - December 2014, 42.15% of all Members received no income at all. Note that these figures do not represent a Member's profit, as they do not consider operational or promotional business expenses incurred by the Member. The figures above refer to gross income (total income before expenses). The expenses a Member incurs in operating a LIFE business may vary widely. Expenses for Members can be several thousand dollars annually. You should factor in estimated expenses when projecting potential profits. Such operating expenses could include advertising and promotional expenses, product samples, training, travel, telephone, internet and miscellaneous expenses. The incomes displayed on this document include the cash value of LIFE's incentive trip programs.

Receipt of Monthly Compensation and Average Monthly Earnings for Qualified Members.

	1 Check	2 Checks	3 Checks	4 Checks	5 Checks	6 Checks	7 Checks	8 Checks	9 Checks	10 Checks	11 Checks	12 Checks
Percent of All Qualified Members	37.55%	10.57%	7.57%	5.77%	4.47%	4.08%	3.32%	3.14%	2.84%	3.88%	2.68%	14.13%
Average Earnings per Check	11.67	31.71	59.23	94.89	139.08	191.57	218.36	273.18	307.22	355.11	587.35	5,149.90

The table above shows the percentage of Qualified Members who received compensation for 1 to 12 months during the period of January 2014 - December 2014. 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 Leadership 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.

OCCUPATION INCOME COMPARISON

JOB TITLE	Average Hourly	Average Annual
Actor	22.15	46,072.00
Administrative Support	16.78	34,900.00
Bank Teller	12.62	26,260.00
Bus Driver	15.21	31,640.00
Butcher	14.40	29,950.00
Cashier	9.83	20,450.00
Chef	22.42	46,620.00
Chiropractor	37.70	78,410.00
Clergy	22.86	47,540.00
Computer Programmer	38.91	80,930.00
Construction Worker	21.40	44,510.00
Criminal Investigator	38.00	79,030.00
Dentist	79.12	164,570.00
Firefighter	23.21	48,270.00
Food Service Manager	25.54	53,130.00
Home Appliance Repair	17.89	37,220.00
Home Health Aid	10.60	22,050.00
Insurance Agent	30.58	63,610.00
Lawyer	63.46	131,990.00
Legal Support	25.02	52,040.00
Loan Officer	34.52	71,800.00
Lodging Manager	26.83	55,810.00
Mechanical Engineer	41.31	85,930.00
Photographer	17.88	37,190.00
Physician	92.25	191,880.00
Police Officer	28.23	58,720.00
Post Office Worker	23.90	49,720.00
Postmaster	31.89	66,340.00
Psychologist	35.73	74,310.00
Radio Announcer	20.10	41,800.00
Real Estate Agent	25.55	53,140.00
Receptionist	13.20	27,450.00
Registered Nurse	33.13	68,910.00
Retail Sales Worker	11.39	23,690.00
Secretary	18.39	38,250.00
Social Worker	21.49	44,690.00
Teacher	27.12	56,420.00
Truck Driver	19.68	40,940.00
Vehicle Mechanic	19.17	39,880.00
Veterinarian	46.22	96,140.00
Waitress	10.04	20,880.00
Woodworker	14.59	30,340.00

Source: U.S. Government, Bureau of Labor Statistics, May 2012 National Occupational Employment and Wage Estimates, last modified April 1, 2014.
http://www.bls.gov/oes/current/oes_nat.htm#11-0000

LIFE Leadership Cumulative Income Estimate

Rank Achieved in Bonus Period	Corresponding Total Access Sales Requirement	Monthly CAB	**** Monthly LIFE Income Range (Insert personal LIFE Income to get Your estimate)	Monthly Estimated CAB and LIFE Subtotal	Annual Estimated CAB and LIFE Subtotal	Trip	OTCA 6	OTCA 12	Estimated Annual Total
Performer*	24 Total with 9 Outside	400	400 - 1,500	800 - 1,900	9,600 - 22,800	3,000			12,600 - 25,800
Sr. Performer**	40 Total with 14 Outside	800	600 - 2,000	1,400 - 2,800	16,800 - 33,600				16,800 - 33,600
Leader***	60 Total with 22 Outside	1,500	1,200 - 3,000	2,700 - 4,500	32,400 - 54,000		6,000	12,000	50,400 - 72,000
Leader + 10K	60/40	2,500	1,600 - 3,500	4,100 - 6,000	49,200 - 72,000				49,200 - 72,000
Leader + 15K	60/60	3,300	2,000 - 4,000	5,300 - 7,300	63,600 - 87,600				63,600 - 87,600
Coordinator	90/60/16	3,700	2,400 - 4,300	6,100 - 8,000	73,200 - 96,000		7,500	15,000	95,700 - 118,500
Coordinator + 10K	90/60/40	5,500	2,900 - 5,000	8,400 - 10,500	100,800 - 126,000				100,800 - 126,000
Coordinator + 15K	90/60/60	7,000	3,000 - 7,000	10,000 - 14,000	120,000 - 168,000				120,000 - 168,000
Sr. Coordinator	120/90/60/10	8,000	4,300 - 8,000	12,300 - 16,000	147,600 - 192,000		16,000	32,000	195,600 - 240,000
Sr. Coordinator + 10K	120/90/60/40	11,000	5,500 - 9,000	16,500 - 20,000	198,000 - 240,000				198,000 - 240,000
Sr. Coordinator + 15K	120/90/60/60	12,500	6,700 - 11,000	19,200 - 23,500	230,400 - 282,000				230,400 - 282,000
Sr. Coordinator 4 Teams	150/120/90/60	14,500	6,700 - 13,000	21,200 - 27,500	254,400 - 330,000				254,400 - 330,000
Sr. Coordinator 4 Teams + 10K	150/120/90/60/40	16,500	7,200 - 14,500	23,700 - 31,000	284,400 - 372,000				284,400 - 372,000
Sr. Coordinator 4 Teams + 15K	150/120/90/60/60	18,000	8,000 - 15,500	26,000 - 33,500	312,000 - 402,000				312,000 - 402,000
Sr. Coordinator 5 Teams	180/150/120/90/60	20,000	8,000 - 17,000	28,000 - 37,000	336,000 - 444,000				336,000 - 444,000
Sr. Coordinator 5 Teams + 10K	180/150/120/90/60/40	23,000	9,000 - 18,500	31,000 - 41,500	372,000 - 498,000				372,000 - 498,000
Sr. Coordinator 5 Teams + 15K	180/150/120/90/60/60	25,000	10,000 - 19,500	35,000 - 44,500	420,000 - 534,000				420,000 - 534,000
LIFE Coach +	210/180/150/120/90/60	Profit Sharing	Varies	Varies	Varies		60,000	120,000	Varies

* Performer - 6,000 total PV with 2,000 outside of Team 1.

** Sr. Performer - 10,000 total PV with 3,000 outside of Team 1.

*** If you are a Leader with a Leader in Team 1 the Total Access requirement is 60/22.

**** Monthly LIFE Income Range is based on actual data from July, 2014 - December, 2014 for Members at each Rank.

OTCA's or One Time Cash Awards are achieved when qualifying for a 6- or 12-month rank for the first time. See page 15 for a complete list.

****The examples set forth in this brochure are hypothetical examples that are intended to explain certain components and operations of the LIFE Leadership Compensation Plan, in particular the Community Advancement Bonus and One-Time Cash Awards. The hypothetical examples shown in the Monthly LIFE Income Range column make several assumptions regarding a Member's personal volume, group volume, organizational structure, and downline leaders. These hypothetical examples are not representative of the income, if any, that a LIFE Member can or will earn through his or her participation in the LIFE Leadership Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any guarantee of earnings, whether made by LIFE Leadership or a Member, would be misleading. Success with LIFE Leadership results only from successful sales efforts, which require hard work, diligence, and leadership. Your success will depend upon how effectively you exercise these qualities. IMPORTANT INFORMATION REGARDING THE COMPENSATION PLAN: Please see the LIFE Leadership Income Disclosure Statement on pages 16, 17, and 18 of this brochure.

