

See What LIFE Has in Store for You.



## MEMBER COMPENSATION PLAN

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## INCOME DISCLOSURE STATEMENT

JANUARY 1, 2014 - 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 multi-faceted 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.

## #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* ½ 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.

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* amount. In such a case, that referring customer gets *his* 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)

**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 = ½ PV). There are other exceptions, but this is a pretty good rule of thumb.

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

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. The Student 6,000 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 *Student 6,000 Trip* (note that this is a level on our Bonus Chart, depicted there as “6,000”) 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 “Trip Qualified” level (meaning they have qualified for the Student 6,000 Incentive Trip

described in #5). 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 a 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.

This is a new bonus that begins in July 2014.

## #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 their 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. You 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 consecutive months, and then again for 12 consecutive months. It is possible to earn multiple One-Time Cash Awards in a single calendar year, and also to continue a qualification period stretching from one calendar year into the next.

# RANK ACHIEVEMENT



Now that you've seen the quick overview of the 15 and 1/2 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

## 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

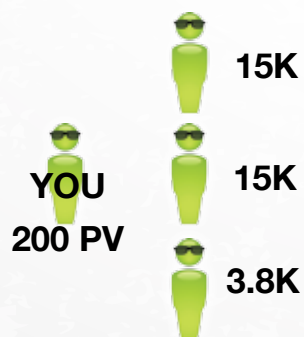
In order to incentivize a Leader to continue his or her performance month to month, we have also designated additional Ranks to show the number of months within a calendar year the Life Member has achieved that Rank. For instance, if a Life Member achieves the Rank of Leader for 6 months, he or she will 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)

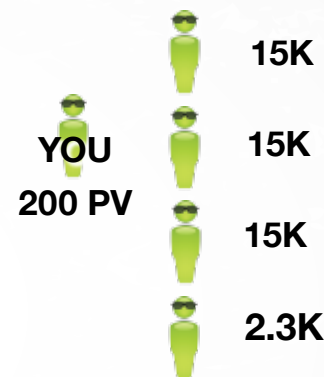


As with the Leader Rank, additional Coordinator Ranks of 1, 3, 6, and 12 are also designated. Coordinator 6's and Coordinator 12's are recognized at our live and web-broadcast events.

## 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)

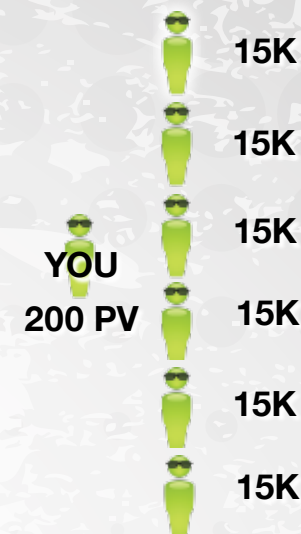


Additional Senior Coordinator Ranks of 1, 3, 6, and 12 are also designated. Senior Coordinator 6's and Senior Coordinator 12's are recognized at our live and web-broadcast events.

## 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 Live 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.

- 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):

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



## 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 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 figure out just what we are saying here!

## 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. Student 6,000 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 7<sup>th</sup> 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 Student 6,000 Incentive Trip.

New LIFE Members have the opportunity to earn bonus Trip Points, by taking advantage of the “Next Step” program.

Complete Steps 2 & 4 of the Next Step Program and earn 400 Bonus Trip Points.

A complete explanation of how to qualify for the Student 6,000 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 ½ 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 ½ Ways of Making Money	Amount	Paid Out	Customer Requirement Necessary to Receive?	Trip Tracking Required?
1. Retail Sales Margin	25%	Monthly	No	No
1½. 3 For Free	Free Product Subscription	Monthly	No	No
<b>Bonus Chart Commissions</b>				
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. Incentive Trip	\$3,000	Once	Yes	Yes
6. CAB	(See CAB Chart page 14)	Monthly	Yes	Yes
7. Leader Bonus	8%	Monthly	Yes	No
<b>Depth Bonuses</b>				
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

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 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.

Your 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.

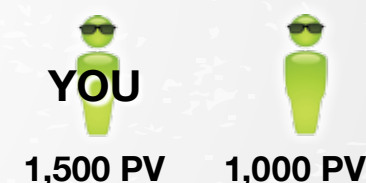
### Example #1 You have one downline team

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.

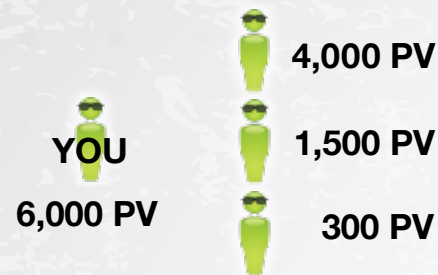
Your 1<sup>st</sup> downline team has a total PV of 4,000, which is 35% on the bonus chart.

Your 2<sup>nd</sup> downline team has a total PV of 1,500, which is 25% on the bonus chart.

Your 3<sup>rd</sup> downline team has a total PV of 300, which is 10% on the bonus chart.

Your Differential Bonus would be:

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



## 5. Earning the Student 6,000 Incentive Trip

Qualifications:

- Accumulate 3,000 "Trip Points," total, while also building an team with the following structure:
- A minimum of 6,000 PV for 6 consecutive months with a minimum of 4,000 PV in one team and an additional minimum 2,000 PV outside of that team.

Example:

You enroll as a new Member in January and start Trip Tracking (which means you are generating a minimum of 200PV in customer and personal volume) in your 1<sup>st</sup> month. By doing so, you have taken steps 2 & 4 of the Next Step Program and earned 400 Bonus Trip Points for a total of 600 Trip Points.

You continue Trip Tracking each month for the next 6 months (February - July) at 200 Trip Points each month for an additional 1,200 Trip Points.

Starting in your 8<sup>th</sup> month and continuing through your 13<sup>th</sup> month (6 consecutive months August - January) you meet the PV qualifications, and you continue to Trip Track during those 6 months for an additional 1,200 Trip Points.

Trip Points

January	600
February – July	1,200
August – January	1,200
<b>Total</b>	<b>3,000</b>

6,000 PV for 6 Months: August through January

You would finish qualifying for the Incentive Trip in January. Congratulations! Now choose your destination and pack your bags!

Note: Your Trip account balance is reset to zero if you fail to Trip Track in any month along the way.

## 6. Earning a Monthly Community Advancement Bonus (CAB)

Earning a CAB is based on the combination of a Member's rank achievement (beginning at "Trip Qualified") 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 – 75 Total Access Subscriptions
2. Team #2 – 50 Total Access Subscriptions
3. Additional outside of #1 and #2 – 13 Total Access Subscriptions

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

**The Community Advancement Bonus or CAB program begins in July of 2014. (see page 14)**

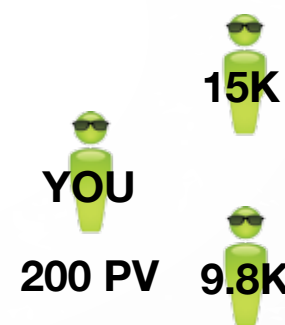
## 7. Leader Bonus

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:

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

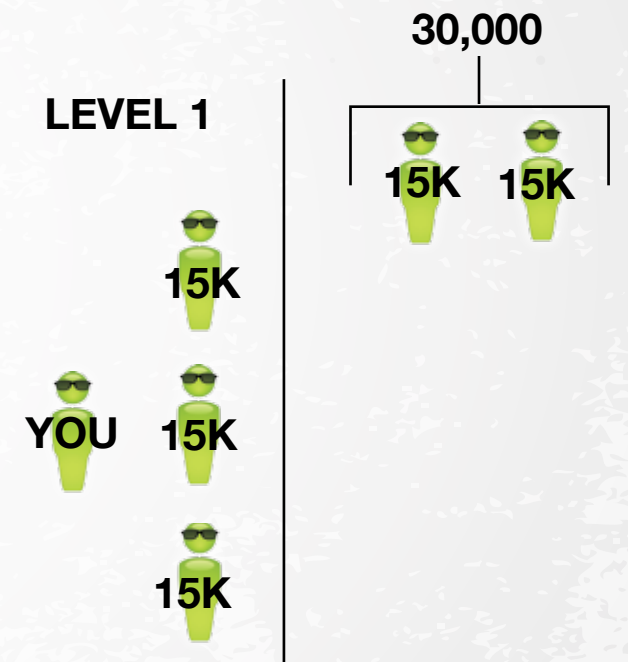
Note that your 8% bonus is calculated on all your volume outside of that downline Leader.



## 8-14. Depth Bonuses

Below is an example of the first Depth Bonus, which is the 8<sup>th</sup> 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 1<sup>st</sup> 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**



## FURTHER DETAIL

### Community Advancement Bonuses (CAB)

Rank Achieved in Bonus Period	Corresponding Total Access Requirement	Monthly CAB
Trip Qualified *	20 Total with 7 Outside	400
Student 10,000	33 Total with 11 Outside	800
Leader	50 Total with 17 Outside **	1,500
Leader + 10K	50/33	2,500
Leader + 15K	50/50	3,300
Coordinator	75/50/13	3,700
Coordinator + 10K	75/50/33	5,500
Coordinator + 15K	75/50/50	7,000
Sr. Coordinator	100/75/50/8	8,000
Sr. Coordinator + 10K	100/75/50/33	11,000
Sr. Coordinator + 15K	100/75/50/50	12,500
Sr. Coordinator 4 Teams	125/100/75/50	14,500
Sr. Coordinator 4 Teams + 10K	125/100/75/50/33	16,500
Sr. Coordinator 4 Teams + 15K	125/100/75/50/50	18,000
Sr. Coordinator 5 Teams	150/125/100/75/50	20,000
Sr. Coordinator 5 Teams + 10K	150/125/100/75/50/33	23,000
Sr. Coordinator 5 Teams + 15K	150/125/100/75/50/50	25,000

\* Trip Qualified - 6,000 total PV with 4,000 in Team 1 and 2,000 outside of Team 1.

\*\* If you are a Leader with a Leader in Team 1 the Total Access requirement is 50/20.

Total Access - A Customer or Member who subscribes to both LIFE Live and LIFE Library

**The Community Advancement Bonus (CAB) begins in July 2014**

### 2014 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



# 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). Due to the young age of LIFE Leadership, 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 Leadership on November 1, 2011, was by no means "typical." We had thousands of LIFE Leadership Members that had pre-enrolled during October of 2011. Then, of course, these new LIFE Leadership Members needed time to get to know the business, so we allowed for an acclimation period of six months. After that settling period, LIFE Leadership 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. We are in the process of updating our IDS with the most current and accurate data that we are compiling from 2013. 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 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 the sample products of a book, three audio CDs, a sticker, two tickets to the next LIFE Live event (or online viewing), thirty days of free attendance (or online viewing) of our open meetings, and of our LIFE Line voice messaging system. 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 halfway 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 in just a 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 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 below. To give all new Members a chance to "get their feet wet," LIFE Leadership 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 Leadership 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 Apprenticeship 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 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 that are committed and really work hard at their business.

The largest area of turnover in LIFE Leadership 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 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 familiarized themselves with the Compensation Plan.

We hope this overview has been helpful.



# OCCUPATION INCOME COMPARISON

JOB TITLE	Hourly	Annually
Actor	20.26	42,140.80
Administrative Support	15.15	31,512.00
Bank Teller	11.99	24,939.20
Bus Driver	14.21	29,556.80
Butcher	13.70	28,496.00
Cashier	9.12	18,969.60
Chef	20.42	42,473.60
Chiropractor	31.81	66,164.80
Clergy	21.18	44,054.40
Computer Programmer	35.71	74,276.80
Construction Worker	18.74	38,979.20
Criminal Investigator	35.72	74,297.60
Dentist	71.79	149,323.20
Firefighter	21.75	45,240.00
Food Service Manager	23.06	47,964.80
Home Appliance Repair	16.91	35,172.80
Home Health Aid	10.01	20,820.80
Insurance Agent	23.15	48,152.00
Lawyer	54.58	113,526.40
Legal Support	29.03	60,382.40
Loan Officer	28.76	59,820.80
Lodging Manager	22.50	46,800.00
Mechanical Engineer	38.74	80,579.20
Photographer	13.70	28,496.00
Physician	91.38	190,070.40
Police Officer	26.57	55,265.60
Post Office Worker	25.53	53,102.40
Postmaster	30.31	63,044.80
Psychologist	33.31	69,284.80
Radio Announcer	13.47	28,017.60
Real Estate Agent	18.82	39,145.60
Receptionist	12.49	25,979.20
Registered Nurse	31.48	65,478.40
Retail Sales Worker	9.56	19,884.80
Secretary	16.99	35,339.20
Social Worker	21.25	44,200.00
Teacher	22.13	46,030.40
Truck Driver	18.37	38,209.60
Vehicle Mechanic	21.07	43,825.60
Veterinarian	40.61	84,468.80
Waitress	8.92	18,553.60
Woodworker	13.67	28,433.60

Source: U.S. Government, Bureau of Labor Statistics, May 2012 National Occupational Employment and Wage Estimates, last modified November 27, 2013.  
[http://www.bls.gov/oes/current/oes\\_nat.htm#11-0000](http://www.bls.gov/oes/current/oes_nat.htm#11-0000)

## Income Disclosure Statement

Member Rank	Percentage of All Members by Rank	Percent of Apprentices Within Rank	Percent of Non-Qualified Members Within Rank	Percent of Qualified Members Within Rank	May 2012 - January 2013 Monthly Income for Qualified Members by Rank			Number of Months as a Qualified LIFE Member		
					High	Low	Average	High	Low	Average
Student	28.605%	42.357%	57.440%	0.203%	0.00	0.00	0.00	12	3	8
Student 150	13.797%	50.497%	47.582%	1.922%	14.95	0.00	9.96	15	7	12
Student 300	16.528%	41.579%	53.973%	4.448%	58.65	0.00	26.96	15	1	13
Student 600	12.351%	28.023%	63.829%	8.148%	135.00	0.00	49.51	15	7	13
Student 1,000	8.866%	17.815%	69.159%	13.026%	258.30	2.00	78.58	15	7	13
Student 1,500	8.545%	9.928%	70.920%	19.152%	483.75	0.00	106.56	15	7	14
Student 2,500	5.182%	4.181%	69.493%	26.327%	714.93	0.00	166.20	15	7	14
Student 4,000	2.815%	1.978%	65.146%	32.876%	1,191.25	0.00	256.73	15	7	14
Student 6,000	1.966%	1.098%	59.545%	39.357%	4,604.18	4.00	1,038.35	15	8	14
Student 10,000	0.668%	0.113%	53.715%	46.171%	2,217.38	0.00	679.30	15	8	14
Student 15,000	0.328%	0.000%	57.555%	42.445%	1,444.45	0.00	547.17	15	12	14
Leader	0.278%	0.000%	1.907%	98.093%	14,632.30	849.65	3,598.34	15	15	15
Coordinator	0.044%	0.000%	0.000%	99.138%	15,458.63	2,385.74	5,056.20	15	12	14
Sr. Coordinator	0.016%	0.000%	0.000%	100.000%	39,454.62	4,355.61	15,177.01	15	15	15
LIFE Coach +	0.010%	0.000%	0.000%	100.000%	205,806.12	18,703.27	53,584.66	15	15	15

The income statistics above are for all Qualified U.S. LIFE Members who were eligible for commissions beginning in May of 2012 - January of 2013. 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 Leadership understands that it takes time to start a business, learn the basics of operations and to develop customers, so LIFE Leadership 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 customer sales requirements. LIFE Leadership began operations on November 1, 2011 and due to a successful pre-launch effort had thousands of Members enroll in November. As a result, LIFE Leadership had a large population in their 6-month apprenticeship and felt the fastest representation of the business for new Members and/or people considering the business would be to provide data after this period. This is why the business statistics start in May of 2012, which is 6 months after LIFE Leadership began operations. **The average monthly income for all Members (Apprentice, Non-Qualified, Qualified) was \$38.48.**

**40.4% of Members do not continue with LIFE Leadership after their first year. During 2012, 31.47% 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 Leadership 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 Leadership'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
Percent of all Qualified Members	1.08%	1.42%	1.60%	1.94%	2.20%	2.62%	3.99%	5.96%	79.19%
Average Earnings per Check	45.86	78.73	52.40	37.04	39.84	40.66	42.26	51.84	339.93

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 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 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.

# LIFE Leadership Cumulative Income Estimate

Rank Achieved in Bonus Period	Corresponding Total Access Requirement	Monthly CAB	Standard LIFE Monthly Income	Monthly CAB and Standard LIFE Subtotal	Annual LIFE and CAB Subtotal	Trip	OTCA 6	OTCA 12	Annual Grand Total
Trip Qualified *	20 Total with 7 Outside	400	700	1,100	13,200	3,000			16,200
Student 10,000	33 Total with 11 Outside	800	1,050	1,850	22,200				22,200
Leader	50 Total with 17 Outside **	1,500	2,000	3,500	42,000		6,000	12,000	60,000
Leader + 10K	50/33	2,500	2,500	5,000	60,000				60,000
Leader + 15K	50/50	3,300	3,000	6,300	75,600				75,600
Coordinator	75/50/13	3,700	4,000	7,700	92,400		7,500	15,000	114,900
Coordinator + 10K	75/50/33	5,500	5,000	10,500	126,000				126,000
Coordinator + 15K	75/50/50	7,000	6,000	13,000	156,000				156,000
Sr. Coordinator	100/75/50/8	8,000	8,000	16,000	192,000		16,000	32,000	240,000
Sr. Coordinator + 10K	100/75/50/33	11,000	9,000	20,000	240,000				240,000
Sr. Coordinator + 15K	100/75/50/50	12,500	10,000	22,500	270,000				270,000
Sr. Coordinator 4 Teams	125/100/75/50	14,500	11,000	25,500	306,000				306,000
Sr. Coordinator 4 Teams + 10K	125/100/75/50/33	16,500	12,000	28,500	342,000				342,000
Sr. Coordinator 4 Teams + 15K	125/100/75/50/50	18,000	12,500	30,500	366,000				366,000
Sr. Coordinator 5 Teams	150/125/100/75/50	20,000	13,000	33,000	396,000				396,000
Sr. Coordinator 5 Teams + 10K	150/125/100/75/50/33	23,000	14,000	37,000	444,000				444,000
Sr. Coordinator 5 Teams + 15K	150/125/100/75/50/50	25,000	15,000	40,000	480,000				480,000

\* Trip Qualified - 6,000 total PV with 4,000 in Team 1 and 2,000 outside.

\*\* If you are a Leader with a Leader in Team 1 the Total Access requirement is 50/20.

The Monthly Community Advancement Bonus (CAB) begins in July, 2014.

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 Standard LIFE Monthly Income numbers are estimates based on Members who achieved the rank and the corresponding Total Access Requirements. These incomes will vary Member by Member. Please review the Income Disclosure Statement on page 16 - 18.

