

*Allegre*

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Independent  
Representative  
Manual

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ALLEGRE CORPORATION

# Independent Representative Manual

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? 2003 Allegre Corporation  
5204 South Procyon Avenue  
Las Vegas, NV 89118  
Phone 702.597.5015 • Fax 702.597.5094

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### **Allegre Corporation THE INDEPENDENT REPRESENTATIVE MANUAL**

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Tel: 702-597-5015  
Fax: 702-597-5094

Web: [www.Allegre.biz](http://www.Allegre.biz)

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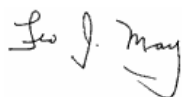
# Welcome to Allegre

**WE** take this opportunity to welcome you as a new member of the Allegre family of independent business owners. We appreciate your confidence in joining us, and we at the National Headquarters are committed to helping you build a successful and rewarding business. We recognize that you, together with our other enthusiastic Representatives, are the lifeblood of our business. We are dedicated to supporting you, as together we “enrich the lives of those we touch” and revolutionize the way America travels, and pursues healthy lifestyles.

This professionally created manual encompasses methods, procedures, policies and forms to assist you in “quick starting” your business. In addition, we will provide periodic updates and information briefs, as well as conducting regional training seminars. In order to present the program clearly and concisely, it is important that you study this manual and understand the material presented. Leaders teach and, to be successful, you must be a leader. By helping others achieve their Independent Representative goals, you will attain yours. This is critical to your growth and future income potential.

Again, we thank you for your participation and extend our warmest regards.

Sincerely yours,



The

Allegre

Corporation

## Preface

We welcome the opportunity and challenge of providing quality service to the millions of potential customers in our nation. Over four trillion dollars a year are spent in the global travel industry, which employs over 200 million people. Anti-Aging products, Nutritional, and Personal Care products are also multi-million dollar industries as well. The Allegre program offers Representatives opportunities in large and growing industries to provide essential and appreciated products and services!

## Introduction

Congratulations on joining us in the creation of “The New Wave in Marketing!” . In 1996, Allegre was incorporated under the name Travel 2000 Network, Ltd., specifically, to combine the allure and opportunity of travel along with anti-aging, nutritional and personal care products together with a network distribution system. The concept was visionary, the timing, perhaps, a bit premature. But the combining of these elements has created an unbeatable marketing concept.

All business requires dedication and hard work. Allegre is no exception. This is not a “get-rich-quick” program. However, dedication, focus and a true desire to help other people attain their Independent Representative goals will surely enable you to enrich your life. To prepare yourself for your new opportunity, you will need to learn the material contained in this manual. Much of the information will be new to you, and you may find some sections to be a bit complex. Don’t be concerned. With your sponsor’s assistance and the training seminars designed to answer all of your questions, you will soon be talking the Allegre opportunity to all of your friends and associates. The compensation plan is the most generous in the industry and combines the strongest possible pay out to our Representatives consistent with corporate viability. Review the entire manual for a general overview before studying the individual sections. In this way, you will gain a general knowledge of the program prior to concentrating on the specifics. Study the material several times, giving particular attention to the “Policies and Procedures” and the “Marketing and Compensation Plan”. Participate in the national training calls, attend the training seminars and, above all, participate in the local presentations.

Unlike most network marketing companies, we have been in our basic industry for years. We will continue to be product-oriented while harnessing the power of marketing directly to consumers to change the way America travels and enjoys healthy lifestyles. Many network-marketing companies are involved with fine products — filtration products, education, Internet, etc. In most instances, their challenge is to create a market niche for their particular product. Not so with Allegre. We recognized the requisite ingredients for Representative success, namely: market demand, product and service validation, repeat customers and a duplicatable system. The company was structured with these criteria firmly in mind, embracing today’s most dynamic areas of consumer demand: Anti-Aging, Nutritional Supplementation, Personal Care and the Travel and Tourism Industries, over \$6 trillion strong, are vibrant and growing. You need only to tap into a small segment of these existing markets to become successful beyond your entrepreneurial dreams. We are pleased to have you join us on this exciting journey.

## The Corporation

### LEADERSHIP

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**LEO J. MAY**, *Founder and Chairman of the Board*, became a successful resort developer after resigning as a pilot from the U. S. Air Force at the close of the Vietnam War. While traveling all over the world, he recognized that the opportunities for destination resort development abounded globally. His largest and most successful project was located on the beaches of Mexico where he developed and operated a premier golf and tennis resort. In managing this facility and insuring its success, Mr. May learned the travel business literally from the ground up. He realized that any resort is only as successful as management's ability to generate traffic to that resort. In addition to operating a U. S. in-house reservations system, Mr. May worked closely with travel wholesalers and tour operators to provide low cost, quality travel packages. He later operated back-to-back charters for several years with both Frontier and Continental Airlines. In so doing, he created tour programs providing superior service at a competitive price, generating thousands of tourists to the resort. This program, which he pioneered, has now transformed a segment of the travel industry. Subsequent to the sale of his resort in 1990, Mr. May was introduced to the MLM industry and became fascinated with the dynamics and power of the marketing system. Like many of you, he participated in companies, which later failed. This merely stimulated him to accelerate his learning curve to the point that he acquired a reputation as an industry "expert". Bringing this networking experience to the travel industry was a logical step in the formation of a successful business model. All preliminary work and the business plan were completed in 1995 and the company was incorporated in early 1996. Recognizing the importance of consumable products, generating strong residual income for Representatives, the product line was expanded over the ensuing years to embrace the finest in Anti-Aging, Nutritional, and Personal Care products.

### NATIONAL OFFICE

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The national office was established in 1996 and is located in Las Vegas, Nevada. The mailing address is:

**Allegre Corporation**  
5204 South Procyon Avenue  
Las Vegas, Nevada 89118

702-597-5015  
702-597-5094 Fax  
Web address: [http:// www.allegre.biz](http://www.allegre.biz)

The basic philosophy of the Allegre Corporation - To represent the finest that medical, nutritional science and personal care formulation have to offer and to provide innovative and responsive service to the public through a network of highly motivated Independent Representatives.

Our objectives in accomplishing this are to:

- ✍ Have an efficient operation staffed with dedicated, trained and personable individuals.
- ✍ Have an effective, ongoing marketing and customer relations program.
- ✍ Have good communications, vertically and horizontally, throughout the organization.
- ✍ Have ethical standards, above reproach, to maintain public confidence.
- ✍ Live up to our Mission Statement:

“To develop a monumental marketing business, with international impact, that provides an entrepreneurial opportunity for average people to develop above average incomes.”

Fulfilling these objectives will virtually guarantee a Representative’s success.

The eventual success of a business can usually be recognized in the beginning by analyzing the business plan. Every aspect of the Allegre plan matches the accepted criteria for business success.

- Product** Services and products sought by virtually everyone.
- Planning:** Years in development — learning and experimentation.
- Knowledge:** Individual expertise recognized as the best in the industry.
- Growth:** Industries expected to create 150 million new jobs by the year 2005.
- Financial:** Ample resources committed for long-range goals.

The success formula of Allegre is simple: - Products and services to satisfy ever-increasing consumer needs. **The future is very bright indeed!**

## Representative Obligations

Representatives are obligated by the dictates of the Independent Representative Application and Agreement and the Company Policies and Procedures, and are to follow the guidelines of this manual as closely as possible in establishing and operating the Allegre Independent Representative business.

THEREFORE: Read this Training Manual in its entirety!

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Further, a Representative is to uphold the high image of the Allegre Corporation and to see that all Representatives adhere to all applicable provisions and directives.

## The Manual

### OBJECTIVES

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To provide the guidelines to ensure consistency with good business practices that produce profitability. General policies and procedures are included — a must to an organization where it is desirable to provide the same image and service to all. Representatives can especially benefit from having a reference source as they undertake the Independent Representative responsibilities.

The policies and procedures, including forms, contained in this manual are intended for use in all states. However, if questions arise, seek counsel and guidance to be sure you conform to your state and local regulations.

### NON-DISCLOSURE

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This manual is to be kept confidential. The contents are restricted to use by the Representative only!

If the Representative intentionally discloses the contents of this manual, the Representative is in default of the Application and Agreement and the Representative is subject to termination without recourse.

### AMENDMENTS

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Changes are inevitable in business operations. Revisions, amendments, and updated pages will be issued by the National Office and must be inserted in the manual. Memorandums may also be issued by the National Office that become part of this manual and should also be incorporated.

The need for procedural change often originates from persons who are dealing directly with the customers. Suggestions for changes in policies and/or procedures to improve the business are encouraged from Representatives, and will be appreciated.

### SEVERABILITY OF PROVISIONS

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Each provision of this manual is recognized as independent and separable of all other provisions. If any court should adjudge any provision as unenforceable, or invalid, such decision will not affect any other provision, which will remain fully effective.

# Quickstart

You are now on the threshold of a great business opportunity — operating an Allegre business. What is your first step? And the next? This section outlines all steps necessary to be ready for your first prospect. You may, however, need to modify these steps for your individual situation because of the local circumstances and available marketing services. Your sponsor will be available to help you get started. When you have questions, please call your sponsor. The concepts apply equally to Anti-Aging, Nutritionals, Personal Care and the Introduction to Travel Training Program. You may focus on one product or you may offer the full array of products and services in order to maximize the available revenue streams.

You can start now with the assurance you won't overlook a thing.

## Allegre Can Enrich Your Life

Several options or levels exist through which Allegre can enrich your life, depending on your goals, lifestyle and personal needs. The following concepts will help you identify your goals and ascertain what Allegre can do for you.

### Level One

- ? You would like to purchase products at Preferred Customer prices for yourself, and to sell to family and friends.
- ? You want to consider the possibilities of an active home based business.
- ? However ... you may have all the money you want and have no desire to dedicate the time and effort required of even a part-time home-based business. If so, congratulations ... and welcome to the wonderful world of Allegre. We appreciate your position and welcome your participation.

### Level Two

- ? You have the same interests described under Level One, however, you are anxious to pursue the opportunity of a limited home based business.
- ? You enjoy and benefit from the use of the Allegre products and anticipate that, through the sharing of your experience within your circle of influence, you will generate sufficient earnings to subsidize, or completely underwrite, your personal product purchases.
- ? Allegre will assist you in every way and will provide regional training to enhance your earning potential.

#### Level Three

- ? You desire to supplement your monthly income with some additional effort and dedication.
- ? You can visualize how an added \$300-\$500 to your monthly income will contribute to your family's well being, buy a new car, pay off a credit card or save for your children's education.
- ? You have calculated what this would mean over the long term and are willing to devote the time and effort required.
- ? You can operate a home-based business and participate in the Allegre marketing program.

#### Level Four

- ? You are serious about operating an Allegre business and recognize the opportunity to supplement your regular income with an additional \$1,000 plus per month.
- ? You plan to develop five leaders within your organization and are motivated to assist each of them in developing their organization. The business can be duplicated and each of your leaders can be trained to duplicate your efforts in training others.
- ? You understand the need to work your business several evenings each week, knowing there is a cost involved in success, and you are willing to pay it.
- ? It will take considerable time and dedication on your part, but you will participate in continuing training programs and become an expert in the use and marketing of your business products.

#### Level Five

- ? You perceive a true opportunity for financial freedom — working for yourself, but not by yourself.
- ? You have a goal of a large business with the potential of generating a five figure monthly income.
- ? You may be working your Allegre business full time, or you may be spending every spare moment from your regular job in the development of your Allegre business.
- ? You dream of an extensive business organization dedicated to people helping people reach their individual goals.

***The opportunity is Allegre:*** No inventory stocking, minimal paperwork, no bookkeeping and only a small investment — just integrity, dedication, attitude, leadership and hard work. That is the challenge, and .... YOU ARE EQUAL TO IT!

*If you enjoy life, care about a quality lifestyle and have defined goals, you should find yourself described in one of these five concepts. We are pleased to have you join our family in the expansion of this burgeoning marketing business that has unlimited potential.*

# WELCOME TO Allegre!

## A Simple Plan to Quick Start Your Success

Over the years, company leaders have developed and tested a proven system that will enable you to duplicate your business success time and time again. This system is the Allegre's *Simple Plan for Success*.

There are six steps:

1. Enroll as an Independent Representative and complete the Preferred Customer Application and "Back-up" Order Form.
2. Study all applicable materials to become knowledgeable of the various products available to you.
3. Set definable and realistic goals — both short and long term.
4. Compile your Contact List.
5. Team up with your sponsor for your first three enrollments.
6. Teach your new enrollees the *Simple Plan for Success*.

Step One: Become a "product of the product"

In order to be successful in any business, you must have the proper tools to successfully undertake the business. It is critical to learn the business in order to use and market the products while building your own personal "story." Your success will enable you to share reliable testimonials, and to package the truth in the most effective manner, to present a clear picture of the benefits of the products and the business opportunity.

Step Two: Study All Applicable Materials

Do the research necessary to become knowledgeable in all aspects of the programs. Avail yourself of area presentations, training sessions and work with your sponsor for answers to questions, which may arise. By doing the research yourself, you will build self-confidence and prepare yourself for rewarding action.

Step Three: Set Definable and Realistic Goals

In establishing a series of short and long-term goals, you will dramatically increase your effectiveness. You must set specific and measurable goals and then reduce them to writing. Review your goals daily and "stay the course." Included in this section is a portion entitled, "Allegre Can Enrich Your Life." Take a few minutes to reread this to determine your optimum level of participation. Now, complete the following 60-Day Plan of Action.

60-Day Plan of Action

To attain my goals, I acknowledge that I must adhere to a definable and realistic plan of action. I pledge to dedicate myself to the objectives listed below. I understand that meeting these objectives will provide a more secure and rewarding future for my family and me.

A. **Investment of Time**

After reviewing the five concepts of participation, I have determined my level of participation to be:

1 2 3 4 5 (Circle One)

I will invest \_\_\_\_\_ hours each week in building my business.

I plan to work my business on the following days:

M T W T F S S

I will attend \_\_\_\_\_ presentation meetings each week.

B. **Business Development**

I will add \_\_\_\_\_ names to my Contact List each week.

I will talk to \_\_\_\_\_ new prospects each week about the Anti-Aging, Travel, Personal Care, Nutritional products, benefits and the business opportunity.

I will personally enroll \_\_\_\_\_ Representatives each month.

I will personally enroll \_\_\_\_\_ Preferred Customers each month.

I will conduct \_\_\_\_\_ Product and Business Training meetings each month.

C. **Leadership Development**

I will personally develop \_\_\_\_\_ Account Executives over the next 60 days and \_\_\_\_\_ Managers over the next six months.

I will attain the status level of \_\_\_\_\_ by the end of this 60-Day Plan of Action.

D. **Compensation**

Based on my 60-Day Plan of Action, I will earn \_\_\_\_\_ each month. This income will be earned in the following manner:

Retail profit:

Commissions:

Rank Advancement Bonus:

Leadership Bonus:

E. **Planning**

I will conduct \_\_\_\_\_ planning sessions each month with my sponsor and area leaders to reinforce the concept of product use and to focus attention on enrolling and training. At these sessions, we will outline individual action plans and review group goals.

## Step Four: Compile Your Contact List

Make an inventory of potential Representatives and Preferred Customers that will provide a base for your Allegre business. Let your imagination flow. You probably know literally hundreds of people with whom you can share the Allegre opportunity. Remember, never prejudge anyone; people's lives change everyday so you never know when an opportunity like Allegre will be the answer they are searching for. Keep your Contact List handy and update it daily. The best source of future business in both your product sales and Representative sponsoring is your letter of introduction. Send everyone on your contact list a letter informing him or her that you have started a new business and that you can now help him or her with his or her travel, nutritional, anti-aging, or personal care needs. Or perhaps they are seeking a home-based business and would be interested in looking at the opportunity that you are representing. This is critical – do it to jump-start your business.

## Step Five: Team Up with Your Sponsor

This is a critical step in as much as it gives you the opportunity to experience the enrollment process first hand by observing your sponsor. Set a time soon after your enrollment to meet with your sponsor and review the procedure. This is also an excellent opportunity to answer any questions you may have concerning the overall program. Now, you are ready to set appointments from your Contact List. Two suggested approaches, which have proven successful, are:

1. *I recently became involved in a great money making opportunity in the anti-aging, nutritional, personal care and travel industries and I immediately thought about you. Would you be interested in working with me in earning some additional income?*
2. *If the right thing came along, and I mean the right opportunity for you, would you have an interest in earning extra money? (Let them answer.) It's a company based in Las Vegas, Nevada, called the Allegre Corporation and they are leaders in the travel, personal care, anti-aging and nutritional industries. Now, (Name), this might not be for you, but you need to take a look and judge for yourself. Fair enough?*

These approaches can be used in almost any situation.

Remember, the purpose of the call is to set an appointment — preferably to attend an area presentation meeting. When an appointment is set, your sponsor should accompany you and assist in the enrollment, whether it is a group meeting or an in-home presentation. It is more effective to show the presentation rather than to tell someone about it. The less you say on the phone, the better the result. If it doesn't need to be said, then it needs not to be said. You may address most questions with a reply like: *I cannot show it to you over the phone. When can we get together?* You are not making a presentation of the Allegre opportunity over the phone, but merely making arrangements for a time and place when the presentation can be made. When setting the appointment, make sure you schedule at least an hour to allow adequate time for the presentation. Sometimes your contact will not set an appointment or does not express an interest in making extra money at this time. That's OK — perhaps the timing is wrong. They may prove to be a better candidate at a future time. Go on to the next contact on your list until you have successfully made your appointments. When making appointments to attend a scheduled presentation in your area, take your prospect to

the meeting if at all possible. Do not invite them to meet you there. Plan to arrive early. Introduce your guest to your sponsor and to the presenter. Be attentive and supportive during the meeting.

Step Six: Teach Your New Enrollees the Flight Plan for Success

As you bring your new Distributors into Allegre, the process begins all over again. It is a simple concept that, if taught and practiced, will help you and your enrollees duplicate your efforts time and time again. As your business grows, you may want to skip a step here and there for expedience, but don't be tempted! Our most successful leaders have found that if they faithfully follow these steps, the Independent Representative businesses will continue to duplicate and grow. Leaders teach how to teach ... be a leader! Set your goal to enroll three or more people each month. Doing this, your organization will remain active and grow ... by duplicating itself over and over again.

Once you have enrolled a new Independent Representative, it is critical that you maintain contact with them a minimum of two times in the first ten days. They will have many questions and you need to ensure that they have established a "comfort level" with the program. Training is a prerequisite to success in this business and the Representative will look to you for guidance and training. Do a presentation with them and introduce them to the power of three way calls. To build your business, your new people must have a basic understanding of procedures and avail themselves of all training opportunities.

# Business Organization

As a new Allegre Representative there are certain steps that should be taken to position your business on a solid foundation. The bigger your business becomes, the more important the foundation. In this overview of business considerations, our objective is to review, or introduce, areas of consideration for the new business owner. However, when structuring or operating your business, it is important to seek competent legal and financial advice from your attorney and CPA.

## Legal Form

The first step in your business organization is the determination of the legal structure under which you will be operating: a sole proprietorship or a corporation. This is an important decision in as much as your choice of structure will determine your authority, financial liability, taxes, borrowing credibility and even the duration of your business.

### 1. Sole Proprietorship

A sole proprietorship is a business owned by one person who is responsible for all profits, losses and debts. You must register your business name if you use a name for your business other than your legal personal name. Registering is a simple process and, in many states, is done at the county level. To determine the process of registering an assumed or fictitious business name, your "d.b.a." (doing business as), contact the Secretary of State's office or your local chamber of commerce for information.

The sole proprietorship provides maximum control with a minimum of government regulation and is a legal form used by more than 75% of the nation's businesses. The main advantages are:

- ? The profits are yours,
- ? You have total decision making authority and,
- ? The ease of getting into business.

The most serious drawback to the sole proprietorship is its unlimited liability. If your liabilities exceed the business's ability to pay, your creditors can claim against your personal assets, which may include your house, automobile, savings, etc. Sole proprietors often have difficulty raising capital and attracting key employees.

## 2. Corporation

A corporation differs from a sole proprietorship in as much as the law considers it to be an artificial being holding the same rights and responsibilities as a person. Unlike the sole proprietorship, it has a life of its own. The corporation offers some distinct advantages, including

- ? Simple transfer of ownership through the sale of stock,
- ? Ability to raise capital through stock sales, and
- ? Limited liability (owners not responsible for the debts of the corporation).

The main disadvantages are taxes and complexity. Corporations suffer double taxation in as much as the company pays the corporate tax and the principals are taxed on income received from the corporation. Should you elect to incorporate, you will file for incorporation with the office of the secretary of state and this will automatically register your corporate name in that state.

## 3. S Corporation

Should you favor the corporate form but are concerned about the double taxation, the S Corporation may provide the answer. S Corporations provide the protection of limited liability, however, this permits the S Corporation to be taxed as a partnership. To qualify as an S Corporation, certain requirements must be met. These include limits on

- ? The number and type of shareholders,
- ? The stock that is issued, and
- ? The company's sources of income.

Most in-home, and other small businesses, will not find these requirements difficult to meet. For information on S Corporations, request the free IRS publication #334, *Tax Guide for Small Business*.

Again, this overview of legal forms of business is presented only as an introduction to the subject. Consult a qualified business attorney to guide you in the final structuring of your business.

## Insurance Coverage

There is no point in building a successful business if you don't take adequate measures to protect it. What would happen if you and clients were involved in an accident; your home and office were vandalized and inventory stolen or destroyed; a catastrophic fire; a frivolous lawsuit? Any situation could be a disaster - unless you are properly insured. Discuss your business needs with a general insurance agent to determine your necessary coverage at the best possible price.

## Government Regulations

As a new business owner you are subject to certain local, state and federal regulations. It is important that you determine which regulations apply to you and your business. Three that affect nearly all businesses are:

- A. Fictitious Business Name Statement** - In order to avoid having the public confuse your business with that of the parent company, there are very definitive rules concerning how the corporate name may be used. The name, "Allegre", Your Name and "Independent Representative" would normally be acceptable since it indicates your independent status. At the same time, it gives notice to the public that you own your business and in that capacity, represent the parent company. Should you form your business under a name that does not include your name, such as "Global Enterprises", then you will probably need to file a "Fictitious Business Name Statement" with the county clerk's office. The statement is designed to provide the public with the identities of the owners. Should you have any doubts or questions concerning name conflicts with the parent company, please address your questions to the Company
- B. Resale License or Seller's Permit** - Many states require anyone who buys and sells merchandise to obtain a resale license or seller's permit. This permit exempts you from paying sales taxes on the merchandise you purchase for resale and authorizes you to collect any sales tax due from your customers. In the event that you need to obtain a permit, there is a small fee involved. For more information, contact your state's tax authority.
- C. Business Permit and Tax** - This is commonly referred to as a business license and is issued by the city and/or county in which the business is located. To find out if a business license is necessary in your particular circumstances and which agency issues it, check the White Pages of your telephone directory under City of \_\_\_\_\_, and either Business Tax Division, Business Licenses or City Clerk.

## Records and Bookkeeping

**A. Records** - First, last and always, keep accurate and complete records of all your business activities. Records form the basis for all of your financial activities and analysis of your business. You do not have to be a management expert or trained accountant to keep solid records ... just write it down, record it and file it. Should you experience a problem, or a question arises, good records will provide an answer. In the unlikely event of an audit, good records will prove indispensable. Initiate business checking and savings accounts, and conduct all your business through them. A corporate credit card is a good way to document your legitimate business expenses. There are many software systems which will simplify the task for the computer owner, but good records can easily be maintained the "old fashioned way". More comments on record keeping may be found under Taxes below.

**B. Bookkeeping** - With the advent of inexpensive software like Quick Books and DacEasy, more self-employed people are doing their own bookkeeping. However, there are dangers in unsupervised bookkeeping. Unless your transactions are complex or time consuming, you can probably keep the books yourself. First, however, you should consider talking to a CPA to set up a system to meet your needs. The systems can range from simple to complex. Your needs will depend on whether you are booking a few retail commissions or earning a six figure income within the Allegre program. A few simple hints:

1. Maintain your books on a monthly basis,
2. Have a competent tax professional review the books in March, June, September and December so you can compute your quarterly estimated tax payments, and
3. Learn to interpret the two parts of the business financial report.
  - a. The Balance Sheet: Shows your assets, liabilities (debts) and equity (net worth). Everything your business owns or owes belongs on the balance sheet. The difference between what you own and what you owe is your net worth.
  - b. The Profit and Loss Statement (or Income Statement): Reports your income and expense. The difference is your profit or loss for the period.

*Hint: If you take money out of your business to make the mortgage payment, buy groceries or go to the movies, you may have had a profit, even if the Income Statement you prepared shows a loss.*

Don't work without a safety net! Take full advantage of an accounting professional's guidance.

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## Taxes

Suffice it to say that we must all pay our required taxes, be they local, state or federal. However, there is one important federal regulation that pertains to you if you own a business. And that is: Internal Revenue Code Section 162 (a): "There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business." These "27 Words" from the tax code itself are a key to wealth. While some people pay their taxes like sheep, others are using the power of these "27 Words" to help accumulate wealth.

*Hint: The secret to the tax code is really the key to an even bigger idea. Not just the eventual accumulation of wealth but a fundamental change in how you live your life and the things you can enjoy. It all comes from a change in perception. Most people think of the tax code as a list of deductions that are prohibited. Actually, it is a list of all the ways you can legally deduct expenses. You just have to know how to organize it within the intent and spirit of those "27 Words".*

As an Independent Representative, all expenses incidental to your business are deductible. Your travel FAM (familiarization) trips, trips when scouting new resorts and destinations for your clients, your travel, hotels and food when making business presentations to your agents or downline and auto expenses when involved in business are but a few of the deductible expenses you may take advantage of.

*Hint: Other expenses not to be overlooked: Independent Travel Agent Training Program, costs involved in training seminars, Regional and National Conventions, business stationary and business cards, telephone service, business equipment and even the home office deduction. This just "scratches the surface". Remember, you are not evading taxes, but merely avoiding taxes by taking legitimate advantage of the provisions of the tax code.*

As a self-employed business owner, you are required to make estimated quarterly tax payments. You may also be liable for state and/or local taxes. The best favor you can do for yourself is to seek the counsel of a qualified tax professional for all of your tax questions.

## Equipment and Furnishings

Setting up your office space need not be an elaborate exercise or costly production. Through careful planning, you can create a work environment that is both efficient and attractive, and still stay within a budget. Whether you elect to work from your home or another location, you will need some basic office furniture and equipment. While you don't need to purchase everything at once, you will want to have those necessary elements which enable you to interact with customers and associates on a timely and efficient basis. Some of the essentials are: worktable or desk and chair, guest chair, filing cabinet, telephone, answering device or service; calculator; storage area, display area for product and marketing materials, fax machine, typewriter or computer with printer and office supplies.

If your goal is to furnish your office as inexpensively as possible, there are several avenues to pursue. Look for sales of business items in the classified section of your local paper, investigate auctions, shop discount stores, surplus outlets or office and electronics stores, or run your own ad soliciting various items. What counts is not how much money you spend, but how appropriate everything is for your needs.

## In Conclusion

Nothing may be more important to you than "getting into business". However, you must pay your dues; study your training material, attend local presentations and invite your prospects to meetings or set up appointments with your sponsor. **JUST DO IT!** If you believe in yourself, your company, your products and the people with whom you work, you can be successful. If you have a true desire, a winning attitude and you never quit,

**WE WILL SEE YOU AT THE TOP!**

# Policies and Procedures

## General Policy Statement

Allegre, a Network Marketing company fosters enrollments of Representatives, also known as IR's. Upon acceptance, the Representative is authorized to promote and sell the entire line of Allegre products, mainly Anti-Aging, Nutritional, Personal Care and the Introduction to Travel Training Program (ITTP)

Allegre is under contract with America's Travel Companies, Inc. (ATC), a full service tour and travel company. In compliance with, and by virtue of the terms of said contract, Allegre is the marketing agent for the Independent Travel Agent Tutorial Program (ITTP). Although an Allegre Representative enrolls an Independent Travel Agent, upon acceptance by Allegre and America's Travel Companies, the ITA henceforth works directly with ATC as a contracted Independent Travel Agent.

As is more specifically set forth in the Policies and Procedures, no commission or other remuneration shall be paid for sponsoring a Representative. Commissions, and any other compensation, to any Independent Representative are based strictly on sale of Allegre products.

Each Independent Representative is responsible for responding to all inquiries from their downline. If the Independent Representative is unable to respond to the inquiry, he/she shall refer the question to his or her upline Independent Representative. If the upline Independent Representative is unable to respond to the inquiry, then the upline Independent Representative in that generation may contact Allegre's corporate office to answer the inquiry. To avoid a communication breakdown, it is important that you follow this chain of communication.

The Representative, also referred to as Independent Representative, is authorized to market any of the Allegre products and agrees to comply with the Allegre Policies and Procedures, the Compensation Plan, the Code of Ethics, all contractual obligations and applicable state and federal laws. Allegre will not tolerate unethical Representative activity and maintains the right to intercede in the event such behavior is discovered or reported. Allegre reserves the right to use its judgment and discretion in determining whether certain Representative activities are deemed unethical. Any breach of these Policies and Procedures, or any action that is detrimental to the reputation of the Representative or Allegre, may be considered an unethical practice and may be grounds for disciplinary action.

## Talent Release

A Representative hereby consents to Allegre's use of the Representative's image (including the Representative's name, photograph, likeness, testimonials, biography, interviews, recordings, film footage, video and audio tapes) when created in connection with Allegre events, conventions and promotions to publicize, advertise and promote Allegre products or opportunities. A Representative may withdraw their consent by notifying Allegre in writing.

## General Policies and Procedures

### INDEPENDENT REPRESENTATIVE

- ? An Independent Representative (Representative) is hereby defined as an individual who has completed the Independent Representative Application and the Preferred Customer Agreement and Back-up Form, which has been received and accepted by Allegre. Independent Representative is the designation for participants in the Allegre Marketing and Compensation Plan. This title is used throughout Allegre materials, but is interchangeable with the designations of Associate, Distributor and Representative.
- ? An Independent Representative shall be at least eighteen (18) years of age, or the age at which a resident may enter into a contract in the state in which he/she lives.
- ? Each Independent Representative is an independent businessperson whose success or failure depends on his or her own efforts. There is no agency or employment relationship for federal income tax or any other purpose between Allegre and any Independent Representative. Independent Representatives are solely responsible for determining their state and local sales and use laws and all other state and local laws, regulations and ordinances regarding the sale of Allegre products. Allegre shall have no responsibility for any action, or failure to act, on the part of any Independent Representative, or any obligation undertaken by any Independent Representative. Independent Representatives have no authority to bind Allegre to any obligation.

### Role of an Independent Representative

- ? Sell products distributed by Allegre, including certain vocational training, nutritionals, personal care, and anti-aging products.
- ? An Independent Representative may sponsor other persons to become Independent Representatives. Such persons must fill out and sign the applicable Independent Representative Application and Agreement, Preferred Customer Agreement and the Back-up Order Form, after fully reviewing the Policies and Procedures and the Marketing and

Compensation Plan. They then mail the completed application(s) to Allegre. No commission, compensation or thing of value will be paid to anyone in return for procuring or sponsoring.

- ? Any Independent Representative who sponsors an Independent Representative must fulfill the obligation of performing a bona fide supervising, distributing and selling function in the sale or delivery of product to the ultimate consumer, and in the training of those sponsored. Independent Representatives must have ongoing contact, communication and management supervision with their sales organization. Examples of such supervision include, but are not limited to, newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, accompanying individuals to Allegre training and sharing genealogical information with those sponsored. Independent Representatives should be able to provide evidence to Allegre of ongoing fulfillment of Independent Representative responsibilities.

#### Representations made by Independent Representatives

Each Independent Representative shall truthfully, factually and fairly describe the Allegre products and programs and their business relationship with Allegre in all discussions with customers, or potential Representatives. This obligation of fair and complete discussion shall include, without limitation, the following:

- ? The Independent Representative shall never misrepresent any material fact about Allegre products. The Independent Representative shall provide sponsored Independent Representative with a copy of these Policies and Procedures, the Agreement and Affirmation, the Compensation Plan and any pertinent supplemental terms and conditions prior to, or when giving such person an Application and Agreement form.
- ? It shall be made clear to the Independent Representative, and to any prospective Independent Representative, that the Allegre opportunity, or any compensation to be derived there from, is based on sales of Allegre products and that he/she will not be successful, nor be compensated in any manner, nor receive any thing of value merely by recruiting other Representatives.
- ? The Independent Representative shall not state that profits are guaranteed or certain for Independent Representatives. He/She shall make it clear that the Independent Representative can expect to be successful only through hard work and substantial efforts. No opportunity or income claims may be made to prospective Independent Representatives. All personal testimonials must be factual and based upon the personal experience of the Independent Representative. Income representations must not be stated, or even implied. All representations, whether written or verbal, in connection with promoting, or presenting this opportunity must comply fully with the applicable laws and regulations of the jurisdiction in which such representations are made. The Independent Representative shall not make claims for any Allegre products other than those provided by Allegre .

#### Identification Numbers

Allegre must receive each Independent Representatives Social Security or Employer Identification Number for the purpose of filing Form 1099 and other required government documents. These numbers will be used initially for identification purposes until a permanent identification number is issued.

#### One Agency

Under no circumstances may an individual participate in more than one downline. A member of one partnership or corporation that is an Independent Representative may not be involved in another Allegre organization in any form. Allegre reserves the right to approve or disapprove an Independent Representatives change of business name and the formation of partnerships, corporations and trusts for tax and estate planning and limited liability purposes. If Allegre approves such a change, the organization's name and the name(s) of the principal(s) of the organization must appear on the Application and Agreement, along with a Social Security or Employer Identification Number.

#### Termination

- ? Allegre may terminate an Independent Representative for any violation of these Policies and Procedures, a breach of any of the promises made in the Application and Agreement, or for any misstatement or misrepresentation by the Independent Representative in the Agreement or on any order form.
- ? Unfair competition and "cross sponsoring" may also be cause for involuntary termination. Allegre Independent Representatives may not solicit an individual, or entity, that has been previously sponsored by another Independent Representative.
- ? During the term of this agreement, and for a period of one year thereafter, Allegre Representatives are further prohibited from directly, or indirectly, soliciting an existing, or pending, Independent Representative into a sales organization in which he/she is not currently a member
- ? Allegre Representatives may not solicit an Allegre Independent Representative, whether active or inactive, individual or an entity, to participate in a network marketing program offered by any other company, regardless of whether or not such network marketing company offers travel, nutritional, personal care or anti-aging products.
- ? In the event that an Independent Representative chooses not to abide by these restrictions, Allegre may terminate the Independent Representative account, as well as any current or future payments of any kind, which may otherwise be owing. Upon cancellation, Allegre shall be entitled to sue for damages to which it may be entitled by law.

- ? Terminated distributorships are the property of Allegre, but will remain in the current Allegre genealogical distributorship position. Such terminated distributorships will be disposed of in a manner, which considers and serves the best interest of Allegre as well as the interests of both Upline and Downline Representatives.

#### Resignation

- ? An Independent Representative may resign and thereby terminate his or her Allegre Independent Agency upon written notice to Allegre. The downline of such an Independent Representative shall automatically roll up to his or her sponsor. An Independent Representative who has resigned is eligible to reapply to be an Independent Representative six (6) months or more after the date of their resignation. During this minimum six- (6) month period, he/she is not permitted to actively or passively participate in the building or development of an Allegre organization.
- ? An Independent Representative reapplying after termination for inactivity or resignation will not retain prior rights to bonuses, rank or position in any former line.

#### Death, Incapacity and Inheritance

Upon the death or incapacity of an Independent Representative, their right to commissions and marketing position, together with their Allegre Independent Representative organization, shall pass to their legal heir(s) upon written application and approval by Allegre. The inheriting successor must fulfill all responsibilities of the Independent Representative.

#### Selling an Independent Agency

An Independent Representative may sell his or her Allegre business. Allegre will review the terms of the sale and will approve or disapprove the sale based on this review, which shall include a review of the proposed purchaser's qualifications and commitment to manage and develop the business. A minimum transfer fee of three hundred dollars (\$300) will be assessed the seller. A current Representative purchasing another Distributorship position will move to the acquired position individually, giving up their previous position and leaving their original downline intact. Positions in the network are saleable, however, titles are not. The acquiring Representative will maintain his or her prior rank when purchasing a new Distributorship position.

#### Voluntary Resignation Due To Inactivity

It is the Independent Representative's responsibility to lead his/her marketing organization with the proper example in production of Personal Business Volume. Without this proper example and leadership, the Independent Representative will lose his/her right to receive commissions and bonuses from his/her Marketing Organization. Therefore, Independent Representatives who produce less than the minimum Personal Business Volume required to maintain their current Active Status during a month, as set forth in the Compensation Plan, will not receive the commission or

bonus attributable to such status for the sales generated through their Marketing Organization for that month. Failure to meet Personal Business Volume requirements for two consecutive months constitutes the Independent Representative's voluntary resignation. An Independent Representative who has voluntarily resigned will lose all his/her Personal Enrollees and his/her Marketing Organization. The resignation shall become effective on the day following the last day of the second month of inactivity.

#### Assignment and Delegation

No Independent Representative shall (by operation of law or otherwise) assign his or her rights or delegate his or her performance as an Independent Representative without the prior written consent of Allegre. Allegre may approve such delegation or assignment provided that the successor Independent Representative provides Allegre with reasonable assurance that he/she will be able to satisfactorily perform the Independent Representatives obligation to Allegre.

#### Changing Sponsors

Transfers of Independent Agencies from one sponsor to another are **not** permitted. The only potential exception will be in the case of an Independent Representative using unethical means to sponsor someone. Otherwise, sponsor changing can only be effected by resigning and then waiting six (6) months prior to rejoining with a new sponsor. When this choice is made, the resigning Independent Representative does not retain any of his or her downline.

#### Rights to Sponsor

Occasionally, one or more individuals may contact the same prospect, resulting in a dispute over sponsoring rights. Allegre will not mediate such disputes and will recognize as sponsor the person whose name appears on the Application and Agreement. In the event that two or more applications are received, the one received first by Allegre with the Applicant's true signature will be recognized.

#### Networking

Networking with other Independent Representatives can result in many benefits, such as:

- ? The costs of training, meetings and advertising being divided among them;
- ? Larger and more productive meetings can be arranged, resulting in additional enthusiasm, excitement and success; and
- ? The creation of reciprocity among Independent Representatives.

#### Exclusive Rules

- ? These Policies and Procedures, the Preferred Customer Application and Agreement, and the Back-up Order Form Agreement and the instruments and documents referred to herein constitute the entire understanding of the parties with respect to the entire working relationship between Independent Representatives and Allegre. The Policies and Procedures, the Preferred Customer Application and Agreement, and the Back-up Order Form Agreement may be amended only by an instrument in writing signed by an authorized officer of Allegre. Should any inconsistencies arise, the terms and conditions of the Policies and Procedures, the Preferred Customer Application and Agreement, and the Back-up Order Form Agreement shall be controlling.
- ? Allegre expressly reserves the right to alter and amend any prices, policies, procedures, product availability or formulation and the Marketing and Compensation Plan. Such amendments are automatically incorporated as part of the Agreement between Allegre and the Independent Representative and take effect thirty (30) days after publication.

#### Limited Warranty and Disclaimer of Warranties

- ? Allegre warrants the quality of all of their products. Allegre shall not be liable for any special, incidental or consequential damages arising directly or indirectly from the sale of any defective Allegre product and shall not be responsible to compensate or indemnify any buyer for any claim, demand, loss or expense resulting from an alleged breach of warranty obligation. Allegre shall accept the return of defective products and exchange the product. Each buyer shall waive any claim for breach of warranty upon their failure to send to Allegre a full written statement of all defects constituting a claimed breach of warranty.
- ? With respect to travel and related products and services, the customer shall be bound by the provider's guarantee policies. With respect to any other products, Allegre shall provide the Distributor with the guarantee details.

#### Infringement

Allegre disclaims and excludes all warranties regarding possible infringement of any United States or foreign patent, trademark, trade name, copyright or the like, by the Independent Representative's operations and the Independent Representative shall have no claim in this connection. The Independent Representative shall immediately notify Allegre as soon as he/she learns of any claim or suit relating to any of the matters discussed in this paragraph.

#### Confidentiality Agreement

Information contained in any genealogical or downline report provided to an Independent Representative by Allegre is proprietary and confidential to Allegre and is transmitted to the Independent Representative in confidence. The Independent Representative agrees that he/she will not disclose any such information to any third party, directly or indirectly, nor use the information to compete with Allegre, nor for any purpose other than promoting the Allegre program. The

Independent Representative and Allegre agree that except for this agreement of confidentiality and non-disclosure, Allegre would not provide the information to the Independent Representative.

#### Excuse for Non-Performance

Neither Allegre nor any Independent Representative shall be responsible for delays and failures in performance hereunder where performance is made commercially impracticable due to circumstances beyond either party's reasonable control, including without limitation, strikes, labor difficulties, riot, war, fire, delay or curtailment of the party's usual source of supply or governmental decrees or orders.

#### Sales Tax

All sales taxes are based on suggested retail prices. Allegre's products and sales aids (if applicable) may be subject to the various sales taxes levied by the agencies of local, county and state governments in which the individual Independent Representative does business. The Independent Representative is responsible for his or her own sales tax payments to the proper jurisdiction.

#### Income Taxes

Because Independent Representatives are independent contractors, Allegre does not deduct any personal taxes from commission or bonus checks. At the end of the calendar year, as required by law, Allegre will provide a Form 1099 to the Independent Representatives who have earned over six hundred dollars (\$600), and to the Internal Revenue Service.

#### Inventory Requirements

There are no inventory requirements to become an Allegre Independent Representative.

#### Inventory Loading

Allegre's program is built upon retail sales to the consumer. Since promotion within the program is based primarily on the enrollment of "active" Preferred Customers and Representatives, and the related product sales, there is no benefit in inventory loading, and Allegre strictly forbids this practice.

#### Pay Period

Both the Bonus and Commission Pay Periods are based upon the calendar month. Business "eligibility" will include all business received at the corporate office during any given calendar

month. All business must be postmarked on, or before, the last day of the month to be considered current month's business.

#### Payment of Commissions and Bonuses

- ? All commissions and bonuses are mailed on or before the fifteenth (15<sup>th</sup>) day following the "business" month. Independent Representatives should always review their monthly printout report immediately and report any discrepancies within ten (10) days. All such inquiries must be mailed or faxed to the corporate office.
- ? In order to receive leadership bonuses, an Independent Representative must maintain the minimum Personal Business Volume (PBV) requirements of qualifications during a calendar month. (*See Marketing and Compensation Plan for all qualification requirements*). Monthly qualifications must be the result of bona fide sales. Misrepresentations or fictitious sales will not be tolerated and are grounds for immediate termination.

#### Annual Renewal Fee

- ? Thirty days prior to the annual anniversary date of the various agreements, Independent Representatives must pay an annual renewal fee. If I have enrolled as a Preferred Customer, I authorize Allegre to charge my account a total of \$15.00 on an annual basis for the purpose of automatically renewing my customer agreement. This \$15.00 renewal fee also covers the annual renewal of my Independent Representative Agreement.

All travel-related products will be priced for the consumer. All other products will be at prices listed by Allegre. Products may be purchased at the published pricing schedule, which may change from time to time without advance notice.

#### Product Exchange

With respect to the exchange of Allegre products, an Independent Representative must place the exchange order at the same time for equal or greater Business Volume (BV) value and return products, freight prepaid, in re-salable condition, with current labels. Such exchange requests must be made within thirty (30) days of the original order. A ten percent (10%) restocking fee will be assessed. In the event commissions or bonuses have already been paid on Allegre products that are subsequently changed, modified or canceled, such commissions or bonuses shall be charged back to the appropriate Independent Representative.

#### Ordering and Shipping

Allegre shall provide each Independent Representative with detailed forms setting forth the specific methods of ordering, paying for and shipping of Allegre products.

#### Independent Representative Refunds

The Independent Representative Application and Agreement may be rescinded by the respective applicant within three days (72 hours) without penalty.

- ? Independent Representatives may terminate their Allegre Agreements at any time for any reason upon written notice. Allegre may terminate their Agreement with the Independent Representative for any violation of conduct as set forth in these Policies and Procedures. Upon termination, the Independent Representative is entirely responsible for coordinating the return of purchased products. The return of these products must be coordinated with the Allegre Corporate Headquarters and have its prior approval.
- ? Independent Representatives are responsible for all postage, handling and shipping charges for products returned. Upon receipt of products returned to Allegre's Corporate Headquarters, and inspection to determine that they are in salable condition, Allegre's refund policy is as follows:
- ? An Independent Representative may return products, literature and sales aids in reusable condition at any time within thirty (30) days of purchase and receive a full refund. It is the general policy of Allegre that refunds shall be one hundred percent (100%) for thirty (30) days from date of purchase, less any commissions paid (upline) or commissions actually received by the Independent Representative during the refund period, so long as this policy does not violate any laws, rules or regulations applicable to the jurisdiction in which the sales transaction occurs.
- ? After a period of thirty days from the date of purchase, no refund will be provided.
- ? Notwithstanding any of the foregoing provisions regarding refunds, in the event the jurisdictional or applicable law requires a refund policy different from, or contrary to, that as set forth above, such applicable law will be followed and these Policies and Procedures and the Order Forms will be amended to acknowledge such jurisdictional refund law.

#### Back Orders

If Allegre is temporarily out of stock on ordered product, the Independent Representative will receive a Back Order notice with the shipment. Back orders are filled first as new inventory arrives.

#### Labeling and Packaging

Independent Representatives shall not re-label or re-package any of the Allegre products.

#### Name and Address Changes

- ? Independent Representatives are requested to notify Allegre of address changes in writing.

- ? IRs may request name changes by submitting supporting documents or a notarized statement to the Allegre Corporate Headquarters.

#### Training Requirements

Independent Representatives who sponsor new Independent Representatives must insure that the new Independent Representatives are trained with respect to these Policies and Procedures, the Compensation Plan, the product line, sound business practices and sales strategies. Specifically, a sponsor's training responsibilities include contact with the Independent Representatives via video and audio tapes, newsletters, correspondence, personal meetings, telephone, voice mail, electronic mail, training sessions and accompanying individuals to Allegre training. The sponsoring Independent Representative shall keep a permanent record of these contacts.

#### Advertising, Promotion and Use

- ? Allegre encourages each Independent Representative to promote their business within Allegre's written guidelines to guarantee ethical marketing practices and maintain integrity. Independent Representatives may not use Allegre's name or logo without prior written permission.
- ? The use of names of company officials, executives or others who endorse Allegre or their products is strictly prohibited in any advertising or promotional format or medium, except in advertisements or promotional materials approved in writing or supplied by Allegre.
- ? Only at the Director level may an Independent Representatives list themselves in both the white and yellow pages under the heading "Allegre Corporation Independent Representative". The only information that may follow is the Independent Representatives name, address, telephone, and fax numbers. *Yellow Pages* display ads must conform to all Allegre advertising regulations and the words "Allegre Corporation", logos or trademarks may not be used in any way. *Yellow Pages* categorical listings are permissible only under accurate headings. An Independent Representative who terminates their relationship with Allegre must discontinue the listed number immediately.

#### Reproduction

Reproduction of Allegre's literature and materials (including but not limited to printed materials, sales aids, videotapes and audio tapes) is strictly forbidden.

#### Media Inquiries

Under no circumstances is an Independent Representative or other person authorized to speak to the media on behalf of Allegre, nor are any Independent Representatives authorized to give personal appearances, testimonials or product information to the media, except as authorized by Allegre in

writing. Any inquiries by the media are to be referred immediately to the Allegre Corporate Headquarters. This policy will assure an accurate and consistent public image.

#### Recordings

Independent Representatives may not produce for sale any recorded Allegre events or speeches without express prior written permission from Allegre; nor may Independent Representatives reproduce for sale or personal use any recording of Allegre produced audio or videotape presentations.

#### Selecting a Business Name

Independent Representatives may select business names. The business name should not imply that they are an employee or agent of Allegre, but must state that they are an Independent Representative. For example:

**Permissible:**

- Mary Williams, Allegre Corporation Independent Rep.

**Not Permissible:**

- West Coast Allegre Corporation
- Jane Doe, Allegre Corporation Somewhere, USA

#### Public Relations

Independent Representatives are prohibited from employing unpaid media forms of public relations. These include but are not limited to news releases, articles and talk show appearances using Allegre or their trademarks.

#### Telephone Answering

Independent Representatives may not answer the telephone saying "Allegre or in any other manner that would lead the caller to believe that they have reached the corporate offices of Allegre.

#### Direct Mail

An Independent Representative may mail only materials that have been created or approved by Allegre.

#### Fair and Trade Shows

Independent Representatives may promote Allegre products at fair and trade shows. All booths must be in accordance with the advertising policies of and be approved in writing by Allegre.

#### Indemnification

Independent Representatives shall indemnify and hold harmless the Allegre Corporation against any claims, demands, liabilities or loss, cost or expense, including but not limited to attorney fees arising or alleged to arise out of an Independent Representatives operation. Being an Independent Representatives does not imply authority to act on behalf of or to bind Allegre contractually. Allegre encourage Independent Representatives to set up their own hours and to determine their own methods of sale, so long as they comply with the Policies and Procedures.

#### Sanctions

This statement of Policies and Procedures is incorporated into the Independent Representative Application and Agreement, the Preferred Customer Agreement and the Marketing and Compensation Plan and constitutes the entire agreement of the parties regarding their business relationship. Upon an involuntary termination, Allegre shall notify the Independent Representative by mail at their latest address listed with Allegre. Allegre will take appropriate legal action for any violation of these Agreements.

#### Assignment

Nothing herein shall prevent Allegre from assigning the rights and obligations of Independent Representatives or to any person, firm or corporation.

# Product Policies and Procedures

## Ordering, Receiving and Payment Guidelines

- ? Representative may order products by placing an order with Allegre and making proper payment. Shipments may be made only to street addresses and not to General Delivery or to P.O. Boxes. Shipments will be complete (except any back ordered items) and in marketable condition at the time of shipment.
- ? Upon receipt of the order, Representatives should immediately inventory the shipment to determine that the order is complete and in good condition. If an order is not complete, or is damaged, the Representative should contact the shipper and ask how to file a claim for missing or damaged material. Allegre customer service must be notified of any claim within ten (10) business days.
- ? Before assuming a shipment is missing, a Representative should wait at least fifteen (15) business days from the placing of the order. If a shipment is lost, or missing, the Representative should notify the Allegre Customer Service Department. Lost shipments that are later delivered, or found, must be reported to the Allegre Customer Service Department within five (5) days of delivery.
- ? A Representative, who signs a delivery release with a common carrier, authorizing the carrier to deliver an order without signature, agrees to release Allegre from responsibility for such delivery.
- ? All Allegre products should be stored at least six (6) inches off the floor in a cool, dry and hygienically safe area, or otherwise as directed by the label. Allegre is not responsible for products that are damaged due to improper storage.
- ? A Representative who has had at least one check or bank draft returned for “insufficient funds” or “closed account” may lose ordering privileges until the payment issue is resolved. In some instances, the Representative may lose check or bank draft privileges. The Representative agrees that Allegre will assess a \$10.00 handling fee for each rejected check or bank draft.
- ? The Representative understands and agrees that he/she is not entitled to a monetary refund for product purchased, nor entitled to the “Retail Customer Product Satisfaction Guarantee”. A Representative may exchange product for like product, or for product of equal value, within thirty (30) days of purchase and in compliance with the “70% rule”. A terminating Representative may return product pursuant to the Representative Termination Section.
- ? Prepaid orders received before midnight (12:00AM) PST on the last business day of the month are included in that month’s business.

## Retail Purchasing Program

A retail customer may order products directly from Allegre pursuant to the ordering guidelines above and the following policies of the Retail Purchasing Program:

- ? The Retail Customer, upon calling the Allegre retail order lines, should give the Referring Representative's ID number.
- ? The responsibility for the proper crediting of any Retail Customer order lies with the referring Representative and not with Allegre or its employees.
- ? Should the Retail Customer initiate a product return or credit card "charge back", the Representative agrees that all reasonable expenses incurred by Allegre will be debited from the Representative's commission account.

Commissions derived from retail sales will reflect the difference between the wholesale and retail price of products purchased by the retail customer directly from Allegre.

## Retail Customer Product Satisfaction Guarantee

Upon the sale of any Allegre product, the Representative must advise each retail customer of the Allegre Retail Customer Product Satisfaction Guarantee (the "Guarantee") and must provide the retail customer with an official Allegre sales receipt, which contains the following written notice on the back of each sales receipt.

"At Allegre, we take great pride in our products, which contain only the finest ingredients, laboratory tested for quality and purity. Your complete satisfaction is always our ultimate standard. Therefore the Independent Allegre Representative selling you the products listed on the front side of this sales receipt extends to you, as a retail customer, a personal 100% product satisfaction guarantee. If, during the next thirty (30) days, you are not satisfied with your Allegre product purchase, a full purchase price refund will be provided. To obtain this refund, you must provide the selling Representative with a signed statement indicating the reason for your dissatisfaction with the product, and return all unused product, together with the container. Subsequently, you must provide a statement that you have received a full refund. This guarantee is limited to retail customers and is not extended to Allegre Representatives. Except as provided above, the guarantee specified herein is without warranty of any kind, including the implied warranties of merchantability and suitability for a specific purpose. In no event will Allegre be liable for any direct, indirect, consequential or incidental damages arising from the use of, or inability to use, Allegre product(s), even when Allegre has been advised of the possibility of such damages. Some jurisdictions do not allow certain exclusions, so the above limitations may not apply. If you have not received a full refund within thirty (30) days of your written request, please contact Allegre by fax: (702) 597-5094 or E-mail: [admin@allege.biz](mailto:admin@allege.biz).

## Retail Customer Refund Policy

Allegre requires that Representatives provide retail customers a 100% money-back guarantee for thirty (30) days from the date of purchase. Allegre will promptly replace appropriately returned product(s) to any Representative who has issued a refund pursuant to this policy. Representatives may not submit to Allegre any products for exchange, except as provided for under this Retail Customer Refund Policy. Representatives are responsible for prompt delivery of products to their retail customers. If a Representative fails to honor the Guarantee and refund policy of Allegre, and thereby requires Allegre to pay the refund, the Representative will be held responsible to repay Allegre any amount refunded plus administrative costs. Repeat offenders of this policy may be terminated for cause. A Representative submitting returned products for exchange pursuant to this policy must do the following:

- ? Obtain a Return Merchandise Authorization (“R.M.A.,”) form and number from the Allegre Customer Service Department by calling (702) 597-5015.
- ? Return the unused portion of the returned products to Allegre with the R.M.A. number on the **outside** of the shipping container, near the return address. Any package that does not have the R.M.A. number on the outside of the package will not be accepted by Allegre and will be returned to the sender at the Representative’s expense. Included in the return package should be the following:
  - ? A completed R.M.A. form issued to the Representative from the Allegre Customer Service Department.
  - ? A copy of the Allegre sales receipt, and
  - ? A signed statement from the dissatisfied retail customer stating:
    - o The retail customer’s reason for the product return.
    - o Verification that the retail customer received a full refund.
    - o A phone number where the retail customer may be reached.
- ? Shipping costs to the Allegre home office for returned products and related correspondence is the Representative’s responsibility.
- ? When Allegre, receives the returned product together with all required information and documentation, the Representative will be sent replacement products, of the Representative’s choice, in an amount equal to the wholesale value of the returned products.
- ? Returned products may affect the Representative’s Personal Sales Volume or that of their upline Representative’s volume, reflected in a Representative’s account, during the month of the product return. It is the Representative’s responsibility to ensure that they meet their monthly qualification

requirements for compensation. A Representative will not receive the benefit of any qualification or compensation due to reduced PBV from returned product.

## Order Guidelines, Retail Sales, Purchasing and the 70% Rule

A “retail sale” is defined as the sale to an ultimate consumer (retail customer) who is purchasing product for his or her own use.

- ? A Representative may not order inventory for the sole purpose of participating in the Compensation Plan or “qualifying” themselves, or others, to earn commissions or bonuses, nor may they encourage others to do so.
- ? When placing any product order, the Representative certifies that he/she has sold or consumed a minimum of 70% of all previous orders (The “70% Rule”). A Representative may purchase Allegre products for resale to consumers as well as for personal consumption.
- ? A Representative should carefully document all retail sales. Allegre may at any time require a Representative to produce all completed retail sales receipts for the previous thirty (30) days and a listing of the persons to whom the Representative has made retail sales of the products during the previous thirty (30) days.
- ? The use of the official Allegre sales receipt is mandatory. All sales receipts must include the Representative’s name address and phone number.

## Mail and Facsimile Orders

A Representative may order products by mail or fax. The Representative Product Order Form is required for all such orders and must be fully completed and submitted to Allegre. **Do not submit duplicate orders, as it will result in double shipments and charges.** Two Representatives may not combine orders on the same order form. Orders must conform to the following requirements:

- ? Orders without a form of payment will not be accepted. Orders submitted with insufficient funds may be fulfilled with products in a dollar amount that does not exceed the funds submitted with the order, less shipping and taxes, if applicable. If payment for an order is insufficient, Allegre reserves the right, in its sole discretion, to withhold products from the order. Any negative consequences arising out of the return, or partial fulfillment, of an incomplete order fall upon the Representative placing the order.
- ? Payment must accompany all orders. Payment for orders must be by certified check, money order, bank draft or credit card. Allegre will not accept COD orders.
- ? Allegre is not responsible for orders delayed in transit, or for orders that are received without a valid form of payment. Mail or fax orders received on, or before, the last business day of the month will be attributed to that month’s Personal Business Volume.

- ? A Representative who initiates credit card “charge backs” is deemed to have “disputed balances”. The Representative receiving credit for the order in question will have commissions suspended and applied to the disputed balance until the dispute is resolved to the satisfaction of Allegre.

## Back-Up Order

Your automatic back up order keeps you in good standing should you be away on vacation or business, or just forget to place your monthly order and have not generated sufficient PBV to qualify you for the month. It is your insurance order protecting your qualifications in any given month in which you fail, or forget, to qualify your position. Back up orders will not be sent for any month during which you have met qualifications. The Back-up Order Program is the system through which a Preferred Customer/ Representative specifies a standing monthly order for Allegre products, and authorizes Allegre to charge a designated credit card or checking account draft for the monthly shipment of products. All individuals who have completed and submitted the Allegre Independent Representative Agreement and Preferred Customer Agreement preauthorize Allegre to send a Back-up order and to make an automatic withdrawal from their checking account, or a charge to their credit card to pay for each Back-up Order.

- ? Representatives may select whatever products, in whatever quantities, they desire. However, the minimum purchase for “active status” is as follows:
  - o Associates through Directors - \$29 PBV
  - o Executive through Presidential Directors - \$79 PBV

Orders under the Back-up Program will be processed on, or about, the 5<sup>th</sup> of each month. In the case of a weekend or holiday, the order will be processed within five (5) days on either side of the selected date. Their credit card or checking account will be charged on the date of processing of the order. The PBV will be attributed to the previous month during which the Preferred Customer failed to meet his/her PBV requirement.

- ? Orders with declined or expired credit cards will not be processed. If an order cannot be processed due to payment difficulties, Allegre will not be held responsible for Personal Business Volume shortfall. The monthly volume requirements for “active status” are based on the Business Volume (BV) attributed to the products.
- ? Representatives may change the product mix on their Back-up orders by completing a new Preferred Customer Agreement and indicating their intentions. This form must be mailed, or faxed, to Allegre and no fee will be assessed for this service. All Back-up changes must be received twenty (20) days prior to the desired change date to guarantee processing. Allegre cannot guarantee a change will be implemented if received fewer than twenty (20) days prior to the requested change date. Note: One change allowed per month.

## Promotion of Allegre Products

A Representative may not make medicinal and/or therapeutic claims for any Allegre products, nor specifically recommend Allegre products as suitable for the treatment of any ailment. Allegre does not endorse the use of diagnostic or medical devices in connection with the sale of Allegre products because such devices tend to have, as their principal purpose, the diagnosis of health conditions and the prescribing of remedies. No representation or sales offers may be made relating to Allegre products, which are not accurate or truthful as to quality, purity, grade, performance and availability. Specific product information is contained in authorized Allegre literature and is subject to periodic review and revision by Allegre. It is the Representative's responsibility to obtain, and use, current literature only. All product representations made by a Representative must be identical to those found in the current Allegre literature.

- ? A Representative may not charge a for-profit fee for any general material, newsletters, services, training seminars or social events promoted under the auspices, or advertised sponsorship, of Allegre. A Representative may not charge other Allegre Representatives a membership fee for participation in any other program or organization without the prior written consent of Allegre. A Representative may not offer to pay other Allegre Representatives compensation, i.e., commissions or rebates, for purchases of non-Allegre products, opportunities, or other materials without the prior written consent of Allegre. A Representative may not preclude or stop any other Representative from attending an Allegre event.
- ? A Representative agrees not to alter, repackage, distribute samples, re-label, or otherwise change any Allegre product, or sell any such product under any name or label other than that authorized by Allegre.
- ? A Representative shall not market Allegre products through retail outlets. A "retail outlet" is any establishment that offers consumer goods for sale to the general public without a prior appointment as typified by a retail store.
- ? A Representative who owns, or is employed by, a service related establishment may, upon written approval of Allegre, provide Allegre products and services to Allegre customers through his establishment, as long as the Representative is providing proper support to customers. A "service related establishment" is one that receives revenue primarily by providing personal service rather than selling products. Such establishments include offices of doctors, dentists, chiropractors, and other health professionals, health clubs, barber shops, beauty salons and other such businesses where the customer's use of the establishment is controlled by membership or appointment.
- ? A Representative agrees not to display or advertise any Allegre products at swap meets, garage sales, flea markets or any other such events. A Representative may display Allegre products in a booth at state or county fair, trade shows or exhibits.

## Representative Termination

At any time, a Representative may voluntarily resign as an Allegre Representative by the submission of a letter of resignation. A Representative who voluntarily resigns may not reapply for Distributorship until six (6) months after Allegre has finalized the termination. A Representative may also be terminated for cause. Failure to maintain an “active status” for two consecutive months will result in the voluntary resignation of the Independent Distributor’s distributorship. In the case of resignation or involuntary termination, The Representative loses all rights to any Downline genealogy, Representative privileges and Representative rank. In addition, a terminated Representative shall lose all rights to the existing Downline and shall no longer be entitled to receive sales commissions, overrides, rebates, bonuses or any compensation whatsoever from Allegre, nor shall the Representative be entitled to any rights to Representative lists. A terminated Representative must immediately return all existing Representative lists to Allegre. Terminated Distributorships are the property of Allegre, but will remain in the current Allegre genealogical Distributorship position. Such terminated Distributorships will be disposed of in a manner, which considers and serves the best interests of Allegre as well as the interests of both Upline and Downline Representatives. Any Preferred Customer or Independent Representative failing to meet their monthly PBV requirements for two successive months will revert to “Retail Customer” status. In the case of a Representative, he/she will also lose their Representative Status, rank and associated downline.

## Product Buy Back

A Representative who is voluntarily terminating may return, with the resignation letter, all Allegre products, which are “currently marketable”, unencumbered, reusable, unopened and otherwise resalable inventory in the Representatives’ possession. Within sixty (60) days of the receipt of the product, Allegre will refund 90% of the net cost to the Representative, less any consideration received (i.e., rebates, bonus payments, etc. paid to the Representative) by the Representative for the purchase of the products. Allegre will not issue refunds on products previously certified as sold under the 70% rule. Representatives requesting refunds under this provision will be permanently terminated and will not be eligible for re-enrollment.

- ? For purposes of this policy, products shall not be considered “currently marketable” if returned after the products commercially reasonable, usable or shelf life period has passed; nor shall products be considered “currently marketable” if Allegre clearly discloses to Representatives, prior to purchase, that the products are seasonal, discontinued or special promotional products.
- ? If bonuses were paid to a terminating Representative’s Upline, which were based on the returned products, such amounts will be debited from the Upline beneficiaries’ accounts. Although certain requirements may vary by law in some jurisdictions, Representatives seeking refunds must do the following:
  - o Call the Allegre Customer Service Department and request a Return Merchandise Authorization (R.M.A.) form and the number.

- Request a refund in writing from Allegre (this document must be accompanied by copies of the original product invoices and the R.M.A. form); and
- Return the package, with the R.M.A number clearly marked on the outside of the package near the return address. The Representative must pay product return shipping costs. The Representative is responsible for any loss or damage in the shipping process. Damaged goods, which are not marketable, will be rejected. Allegre will issue the refund after verification of the product and required paperwork.

## Limitation of Liability

The parties to this Contract agree that regardless of the form of claim, whether in tort, contract or other, any party, and the officers, employees and agents of such party, shall not be liable for any consequential, incidental, special or punitive damages. This includes, but is not limited to, lost profits or any claims against any other party. No legal action may be brought by either party to this Agreement if more than one (1) year after the event giving rise to the cause of action has transpired.

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# Network Marketing

## Introduction

Network Marketing no doubt found its roots in Biblical times with moneychangers paying agents and sub-agents to promote their businesses and "to spread the good word." However, in its present form, we can clearly track the record back to its inception in the early 1950s, when the industry was a grass roots phenomenon, to today's recognition of Network Marketing as an economic force.

Innovative alternatives to traditional business practices are dramatically changing the way people buy and sell just about everything. Conventional distribution systems are being challenged as manufacturers and service providers seek more effective advertising methods and a more direct sales path to end-users. Costs of production and services can only be minimized to a certain level; distribution is the one area where significant improvements can, and are, being made.

With the exception of electronic commerce, Network Marketing is the fastest growing system of merchandising and distribution in the world today. It harnesses the power and resources of many people working together, in a team effort, for the attainment of common goals. Simply explained, Network Marketing - also called multi-level marketing or direct to consumer marketing - is the process of developing a network of people who use a product or service and share that product or service with friends, associates, relatives, co-workers, etc. As individuals continue to share the product or service, their organization continues to grow ever larger, and they are compensated for both their retail sales and for the volume of retail sales produced by the people whom they train and lead within their organization. In this way, individuals within the organization unify their skills and talents, provide an in-house support system and mentor new Representatives through the program.

## Historical Success

Although Network Marketing is largely misunderstood, much as the franchise industry was in its infancy, major corporations have employed the system with extraordinary results. U.S. Sprint and MCI have garnered over 3,000,000 customers through Network Marketing. The Amway Corporation of Ada, Michigan has world-wide sales approaching \$4 billion, ranking them with industry titans like Mobil Oil and IBM. Colgate-Palmolive markets through its network subsidiary, Princess House, as does the Gillette Company through its subsidiary, Jafra Cosmetics. And, speaking of cosmetics, Avon, the largest cosmetics company in the world, is a direct selling company as is Mary Kay. The A. L. Williams Company, the largest seller of individual life insurance programs every year since 1984 (placing more coverage of this type than industry leader Prudential), is a Network Marketing company. In short, Network Marketing's place in the mainstream of world business and in our lives is assured.

## Future Potential

It is obvious that Network Marketing is, and will continue to represent, an extraordinary business development opportunity for domestic and multi-national corporations alike. It is no wonder that so many companies are turning on to, and tuning into, the nearly \$50 billion global market of networked products and services.

For consumers, Network Marketing offers unique and often superior products not available through conventional channels. In addition, Network Marketing directly rewards consumers for their loyalty and their advocacy through wholesale pricing and by compensating them for recommending the products or services to others.

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## Ideal for Entrepreneurs

For entrepreneurs, or those that aspire to owning their own business, Network Marketing provides the lowest cost and most accessible business opportunities available. When coupled with the benefits of self-employment, either full or part-time, selecting the people with whom you choose to work, the tax savings, the personal freedom of the Network Marketing lifestyle, plus the powerful, proven earnings potential, you just may have discovered the perfect business opportunity.

For individuals seeking the independence of time and money, Network Marketing offers exceptional potential:

- ? What other profession offers the very real potential of earning \$500 to \$1,000 or more per month part-time, and \$6,000 to \$12,000 or more a month full-time. This, without a college or post-graduate degree and without years of experience?
- ? In what other opportunity can you begin your own business, working for yourself, at such a minimal cost?
- ? Network Marketing offers the opportunity for expansion of your business and social environment by working with friends who share common values and goals. In Network Marketing, you will never have to "go it alone". You are in business for yourself, but not by yourself; it is a team effort.
- ? Network Marketing offers the opportunity of a part-time business or a full-time professional effort. This allows anyone employed in a regular job - trading time for money - the opportunity to earn much-needed part-time income while receiving "on the job training".
- ? Network Marketing offers Distributors very real, immediate and legitimate tax benefits because of their self-employed status and the advantages of operating a home-based business. Many business gurus hold that Network Marketing is one of the last true bastions of tax relief.
- ? Lastly, and most importantly, men and women in Network Marketing take responsibility for their own lives. They are richly rewarded for their efforts, abilities and unique talents. Above all, Network Marketing is a lifestyle, one of self-esteem, of enriching the lives of others and of personal and professional self-determination.

In Network Marketing, fate does not chart your destiny. You determine your goals and you create and manage your future. Your life truly belongs to you, perhaps for the first time in your working years. You have the challenge of taking control and of being fully responsible for your success.

Network Marketing is a significant advance in the evolution of the free enterprise system - a way that anyone, anywhere, from any walk of life, can take part in the entrepreneurial revolution that is sweeping the world. The challenge is yours, and the choice is yours, as well!

## Sales Without Selling

Many people are intimidated by the very thought of "Sales". All of us abhor the thought of high-pressure sales people tenaciously pitching their products or services. Fortunately, Network Marketing provides an easy alternative - we just do what we have always done - tell our friends and associates of those memorable travel experiences, anti-aging benefits or nutritional and personal care products that we have personally enjoyed.

## Sharing For Success

The success formula that has evolved in Network Marketing is to "Share the Product" in order to "Share the Opportunity" and to teach others to do the same. If you will follow that philosophy, and believe strongly in your product, services and company, you will share that with the people you know and the people you love. Attitude, persistence and enthusiasm are your strongest allies. And, without these allies, you cannot win. Needless to say, honesty and integrity are the cornerstones of any successful business and people "buy you" before they buy your product.

## Prospecting and Sponsoring

Will everyone with whom you share the product be as enthusiastic as we are? Of course not, but this is not a personal rejection. It may not be the right time; perhaps they do not aspire to improved health and have plenty of money. Move on! Prospecting becomes a natural way of life as you achieve success in the Network Marketing business. It can start with a sincere smile and an opening conversation with people. Start asking questions, find out who people are, their interests and their business. Usually, people will respond with similar questions. You are not selling, but you are exposing and sharing an experience or product. Don't make the mistake of making a presentation before you do the exploration. A first meeting may present an opportunity for getting back to people. You don't need to hit a home run and cover all the bases when you first meet someone. Networking is a grass roots, team effort and anyone can "play the game", at any level they so desire. When beginning your business, enlist the aid of your sponsor, learn the system and teach others how to be successful. They do not have to duplicate your precise methods or style; duplication of your results is the key objective.

It is important that you understand that Anti-Aging, Nutritionals, Personal Care and Travel are our products and that no money is earned until products or services are sold. We encourage you to limit your "frontline" to five or six people with whom you can work in understanding the products, services and opportunities. This is a manageable number and an effective sponsor will assist and train each of his or her frontline Representatives to sponsor and train their frontline people. The result of this sponsoring and training effort will result in "duplication" of your own successful efforts. The long-term effect is the multiplication of your success by the success of those we sponsor and help who, in turn, lead others to success. Once your initial frontline is fully trained and securely launched, you can now add new Representatives to your frontline and repeat the process.

## Company Support

Allegre fosters your “stretch to success” with a variety of support materials - audiotapes, on-line training, conference calls, newsletters, etc. - and the most creative Anti-Aging, Nutritional, Personal Care, and Travel packages in the industry.

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# Allegre Marketing and Compensation Plan

## Designation

As a Representative of Allegre, you are authorized to retail all products introduced by the company. The principal product categories are Anti-Aging, Nutritional, Personal Care and the Travel Agent Training Program.

Most people start an Allegre Independent Business to earn a second income. They hold fulltime, or part time, jobs and take advantage of Allegre's complete training, support and time saving services to build a home based business in their spare time. For a very small investment anyone can start an Allegre business. The purchase includes a Business Kit (Representative Kit) that provides all the business and product information needed to launch a successful home-based business. Allegre is a product-based business, so its Representatives can earn money based on what is purchased by customers in their marketing organizations. And, unlike some home-based businesses, Representatives are not required to keep an inventory on hand, so no one is burdened with products they may not be able to sell. Few business opportunities have the potential of such a good return on such a small investment. Earning money with the Allegre plan is simple, and the rewards can be exciting. The Allegre Compensation Plan can provide a significant income to those who choose to build a network of Representatives and "Preferred Customers."

The following information outlines the promotion qualifications and the corresponding compensation and benefits, which may be earned at each successive level. You should study this section several times and solicit the aid of your sponsor in order to gain a basic working knowledge of the Compensation Plan.

The terms and abbreviations defined below should be reviewed and understood prior to proceeding to the Plan itself. This will better prepare you to understand the balance of the information contained in this section.

## Definitions:

**Allegre:** The Network Marketing Company.

**ATC: Americas Travel Companies, Inc:** The travel agency fulfillment provider with whom the ITAs work.

**Account Executive:** The second rank or position within the network promotion structure.

**Active Representative:** A Representative who has generated the minimum Personal Business Volume (PBV) requirement during the Business Month and qualifies to receive compensation under the "Plan". The PBV may be accrued through the sales or purchases of Allegre products, and/or through travel sales if the Representative is also an ATC Independent Travel Agent.

**AGV: Associate Group Volume:** Business Volume (BV) provided by your Associates.

**Associate:** Any person or entity who has submitted a completed Allegre Representative Application and Agreement, Allegre Preferred Customer Agreement Form and Allegre Back-up Order Form which has been accepted by Allegre. (An Associate is also known as a Distributor or "Independent Representative"). Associate is the entry position in the network promotion structure.

**Back-up Order Program:** The Back-up Order Program is the system through which a Preferred Customer specifies a standing monthly order for Allegre products, and authorizes Allegre to charge a designated credit card, or withdrawal from a checking account, for the monthly payment and shipment of products. All individuals who have completed and submitted the Preferred Customer Form and/or the Allegre Independent Representative Agreement Form preauthorize Allegre to send a Back-up order and to make an automatic withdrawal from their checking account, or a charge to their credit card to pay for each Back-up Order. Back Up Orders are activated only in the instance of a Preferred Customer/Distributor overlooking their monthly order, thus insuring their status.

? Representatives may select whatever products, in whatever quantities, they desire. However, the minimum volume for "active status" is as follows:

- Associates through Director - \$29 BV
- Executive Director through Presidential Director - \$79 BV

**BV:** The net amount of Business Volume on which qualifications, commissions and bonuses are calculated. All products are assigned a wholesale Business Volume.

**BQ: Bonus Qualified:** Account Executives, Managers and Directors who have produced a specified minimum Personal Business Volume (PBV) during the business month are Bonus Qualified. Product and Travel BVs may be combined to attain the required qualifications. Varied qualifications are required for the Car/Expense Bonus, Revenue Sharing, Corporate Bonus Programs and Marketing Incentives. (See plan for details).



**Breakaway:** The position in the promotion structure (Account Executive) at which the Representative is first eligible to receive bonuses. Also referred to as the “back end” of the Stairstep/Breakaway compensation plan.

**Director:** The rank within the promotion system above the Manager level. Director is the fourth rank; Executive Director is the fifth rank, National Director is the sixth rank and Presidential Director is the seventh, and top position in the network structure.

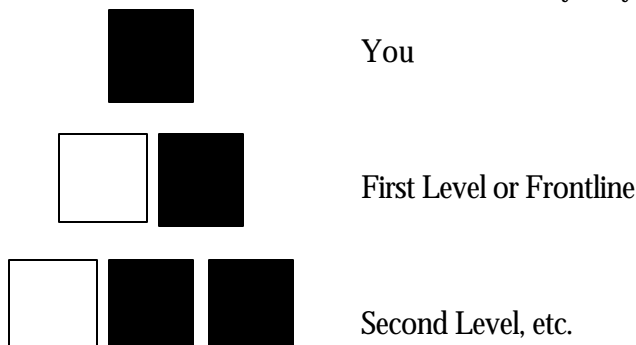
**Direct Customer:** A retail customer who orders directly from the company, or Representative, at retail prices. The selling Representatives ID must be included on the form in order to process the orders of either Direct, or Preferred Customers.

**Downline:** The sponsoring relationship between a Representative and those Representatives whom he/she has sponsored into the Program.

**EGV: Extended Group Volume** is the total Business Volume (BV) produced by you and your Downline Associates, not blocked by an intervening Account Executive or above.

**Earning Month:** The calendar month, after the Qualifying Month, during which you begin earning from your Downline’s production. Representative commissions are paid on, or about, the 15th of the month following the Earning Month.

**Frontline:** In the network structure, the term is synonymous with "First Level".



**Generations:** Includes all tiers, or levels, in your Downline from one Qualified Position to the next succeeding Qualified Position. Upon qualification, you are your own first Generation.

**Independent Representative: Independent Representative** for Allegre.

**ITTP: Introduction To Travel Program.**

**LB: Leadership Bonus** is a bonus payable to qualified Account Executives, Managers and Directors.

**Leadership Products:** Designated products that, potentially, generate income at all levels of the promotion structure. Commissions and bonuses may vary by product.

**Leg:** A segment of your Downline that commences with a personally sponsored Representative and continues in sequence below that Representative.

**Manager:** The third rank within the network promotion structure.

**OV: Organizational Volume** is the total Business Volume (BV) produced from your Payline. For promotion purposes, 50% of the agency gross travel commission produced from your organization may be used in lieu of, or in conjunction with, networking BV produced by your payline for any promotion within the “Director” structure where OV is required.

**Payline:** Your Payline includes all generations for which you are Bonus Qualified (BQ).

**PBP: Preferred Benefits Program** is a mandatory ITA associated program that provides numerous benefits to participants. The PBP is primarily designed to facilitate Travel Agent information and bookings.

**PBV: Personal Business Volume** is the Business Volume (BV) produced by a particular Independent Representative. (Also known as Personal Volume).

**Preferred Customer:** A Preferred Customer receives a 30% to 40% discount on all Allegre products. To qualify as a preferred Customer, the individual must submit the Preferred Customer Application, commit to a specific monthly purchase, be on the Back-up Order Program and authorize the company to debit their credit card or checking account for the monthly purchases.

**Promotional Bonus:** A sales incentive bonus that may, from time to time, be offered on designated products.

**Promotion Qualifying Month:** The calendar month during which you and your group generate sufficient production to qualify you for promotion. Representatives at the Associate level do not earn from Downline production.

**Qualified Position:** Account Executives, Managers and Directors who qualify for the monthly leadership bonuses. Bonus Qualified (BQ).

**Rank Promotion Bonus:** The bonus paid to Distributors for rank advancement.

**Sponsor:** The relationship between two Representatives, i.e., the immediate Upline Representative.

**Upline:** The relationship of a Representative and his/her Sponsor, their Sponsor’s Sponsor, etc., connecting the Representative back to the Company.

**Wholesale Price:** The price at which Representatives purchase Allegre products, also known as the Preferred Customer Price.

## Compensation Plan Outline

Representative compensation is paid on, or about, the 15th of each month for the preceding month's production. A Qualifying Month is that calendar month during which you have qualified for a position promotion. You will begin earning at the promoted level the following month (Earning Month).

The basic philosophy of Allegre is to pay the maximum commissions possible, consistent with the viability of the company. Although there is a certain amount of commission synergy inherent in the overall compensation plan, the Representative may focus on their strongest selling products, or may embrace the entire line of products in order to produce the maximum number of revenue streams. To qualify for compensation under the Allegre Compensation Plan, the Representative must be current, in good standing and generate a minimum monthly PBV, commensurate with their rank, during any given business month.

**Representative:** Is authorized to promote and sell the entire line of Allegre products. The Representative, upon qualification, receives commissions and bonuses on the sales of products and services. Upon qualification, Account Executives, Managers and Directors receive Leadership and other bonuses. (See Plan for details). It is important to note that Associates receive a minimum 30% discount on product purchases; however, they do not access bonuses until attaining the Account Executive level. Therefore, it behooves all Associates to promote to the Account Executive position at their earliest opportunity. At the AE level, Representatives not only access attractive discounts, but they also become eligible to participate in two generations of Leadership bonuses. . **Note: Representatives must also be Preferred Customers and have a standing back-up order to be eligible for bonuses and Revenue Sharing.**

**ITA:** Promotes and sells travel and receives commissions based solely on travel sales.

## Independent Representative Compensation

The Allegre Compensation Plan is designed to reward Distributors who develop new customers for Allegre products. The income you earn from your Allegre business is determined by three factors: the number of Preferred Customers you sponsor, the amount each customer purchases each month and your effectiveness in building a marketing organization that includes other Distributors who assist you in expanding your organizational base, as they are building their own marketing infrastructure.

The key to understanding the Allegre Marketing Plan is to remember that all commissions and bonuses earned are based on the sale of products to end consumers. "End Consumers" are customers who purchase products for their personal use. You do not earn commissions for recruiting or signing up customers – but you will be paid whenever your customers buy products. And that can mean monthly residual income for years to come. The information contained in this section explains the Compensation Plan and is not intended to infer potential incomes for Distributors. Success in any business requires hard work, perseverance, diligence and leadership. Success with Allegre will depend on how effectively a Representative exercises those qualities.

## Ways To Make Money With Allegre

**Retail Sales.** You can earn income from personal sales when you purchase products at your Representative (wholesale) price and resell them to a Personal Customer with a markup to retail. You also earn income from the sale of the Independent Travel Agent Training Program as well as Co-Applicants of the program.

**Preferred Customer.** A Preferred Customer receives a minimum 30% discount from retail. The sponsoring Representative, upon qualification, receives a 7% Leadership Bonus on each order.

**Value Pack and Career Pack Commissions.** When your sponsored Distributor purchases a Value Pack or Career Pack within sixty days of their enrollment, upon qualification, you will receive the following commission:

**Value Pack:** \$ 30

**Career Packs:** \$ 50

**Leadership Bonuses.** On attaining the management level, Account Executive and above, you are eligible to receive Leadership bonuses, upon qualification.

**Car/Expense Bonus.** National and Presidential Directors are eligible to receive a car bonus upon qualification.

**Rank Advancement Bonus.** Bonuses paid to advancing Distributors from Manager through Presidential Directors. These bonuses can be doubled through successful participation in the Leadership Advancement Program.

**Revenue Sharing.** Managers and all Directors, who are otherwise qualified, share in the Revenue Sharing Pools.

**Leadership and Revenue Sharing Bonuses.** All bonus programs require certain qualifications noted by Bonus Qualified (BQ) in the Plan. The percentages outlined in each position below reflect the payout on the sale of the Allegre products. Representative compensation is paid on, or about, the 15th of each month for the preceding month's production. A Promotion Qualifying Month is that calendar month during which you have qualified for a position promotion. You will begin earning at the promoted level the following month (Earning Month).

## Compensation Plan Positions

The Compensation Plan includes seven positions or ranks. The following information details the qualifications and potential benefits of each position. Representatives must be “active” (qualified) to receive compensation under the plan. The positions are:

- ? Associate
- ? Account Executive
- ? Manager
- ? Director
- ? Executive Director
- ? National Director
- ? Presidential Director

### Associate

#### **Qualifications:**

- ? Submit the Preferred Customer and Independent Representative Agreements.

#### **Benefits:**

- ? 30% Commissions on ITTP and Co-Applicant sponsorship (Independent Travel Agent Training Program)
- ? Value and Career Pack bonuses (BQ)
- ? 30% Retail Commission

## Account Executive

### **Qualifications:**

- ? Sponsor two Preferred Customers over any time period.
- ? Or generate 150 in Personal Business Volume in one month

### **Benefits:**

- ? ITTP and Co-Applicant commissions
- ? Value Pack and Career Pack bonuses (BQ)
- ? 30% retail profits
- ? Leadership Bonuses on two generations (BQ)

## Manager

### **Qualifications:**

- ? Sponsor five Preferred Customers over any time period
- ? Or generate 500 in Personal Business Volume in one month.

### **Benefits:**

- ? Rank Advancement Bonus
- ? ITTP and Co-Applicant commissions
- ? Value Pack and Career Pack commissions (BQ)
- ? 30% retail profits
- ? Leadership Bonus on three generations (BQ)
- ? Revenue Sharing (BQ)

## Director

### **Qualifications:**

- ? Personally sponsor two active Managers or above
- And
- ? Have eight personally enrolled Preferred Customers.

### **Benefits:**

- ? Rank Advancement Bonus
- ? ITTP and Co-Applicant commissions
- ? Value Pack and Career Pack commissions (BQ)
- ? 30% retail profits
- ? Leadership Bonus on four generations (BQ)
- ? Revenue Sharing (BQ)

## Executive Director

### **Qualifications:**

- ? Personally sponsor two active Directors or above.
- And
- ? Have ten personally enrolled Preferred Customers

### **Benefits:**

- ? Rank Advancement Bonus
- ? ITTP and Co-Applicant commissions
- ? Value Pack and Career Pack commissions (BQ)
- ? 30% retail profits
- ? Leadership Bonus on five generations (BQ)
- ? Revenue Sharing (BQ)

## National Director

### **Qualifications:**

- ? Personally sponsor four active Directors or above
- And
- ? Have twelve personally enrolled Preferred Customers
- And
- ? Have \$25,000 in organizational volume (OV) in the business month.

### **Benefits:**

- ? Rank Advancement Bonus
- ? ITTP and Co-Applicant commissions

- ? Value Pack and Career Pack commissions (BQ)
- ? 30% retail profit
- ? Leadership Bonus on six generations (BQ)
- ? Revenue Sharing (BQ)
- ? \$400 monthly car/expense allowance (BQ)

## Presidential Director

### **Qualifications:**

- ? Personally sponsor two National Directors  
And
- ? Have fifteen personally enrolled Preferred Customers  
And
- ? Have \$40,000 in organizational volume (OV) in the business month.

### **Benefits:**

- ? Rank Advancement Bonus
- ? ITTP and Co-Applicant commissions
- ? Value Pack and Career Pack commissions (BQ)
- ? 30% retail profits
- ? Leadership Bonus on seven generations (BQ)
- ? Revenue Sharing (BQ)
- ? Additional \$400 monthly car allowance (\$800 total) (BQ)

## Value Pack and Career Pack Commissions

Value Pack and Career Packs are available to new Representatives within 60 days of their enrollment. They provide a significant discount from Preferred Customer pricing to encourage new Representatives to become “a product of the product”. Representatives who start out with the Career or Value Pack have a big advantage: product knowledge. Nothing builds a business like product knowledge. You can share products with belief, enthusiasm and first hand experience. **Only Representatives who have purchased a Career Pack are eligible to receive commissions for the sale of Value and Career Packs.** Order yours today – and start tapping into Allegre value. Representatives are limited to the purchase of two Value and/or Career Packs and only the first is commissionable.

### Commission schedule:

? **Value Pack** \$30.00

? **Career Packs** \$50.00

## Rank Advancement and Leadership Advancement Bonuses

As Independent Representatives advance within the promotion system, they will earn a one-time promotion bonus. This bonus will be paid when the Independent Representative has maintained the promoted status for three consecutive months, or has advanced to a higher rank within the three-month period. (See chart below)

Independent Representatives who have purchased a career pack can double their Rank Advancement Bonus when they advance rapidly through the ranks of the compensation plan.

Rank Advancement and Leadership Advancement Programs

**Rank Advancement Program**

As Independent Representatives advance in status, they can earn One-Time Advancement Bonuses. This bonus will be paid out after the Independent Representative has maintained the status for three consecutive months (or by advancing rapidly to another new higher status through Executive Director within the three-month period.)

<u>Rank</u>	<u>Bonus</u>
Manager	\$50
Director	\$100
Executive Director	\$200
National Director	\$1,500
Presidential Director	\$3,000

**Leadership Advancement Program**

Independent Representatives who have purchased a Career Pack can double their Rank Advancement Bonus as they advance rapidly through the ranks of the compensation plan. If the Independent Representative advances to each status within the specified time allotted (see below), they will qualify for the Rapid Advancement Bonus.

<u>Rank</u>	<u>*Time Frame</u>	<u>Bonus</u>
Manager	2 months	\$100
Director	4 months	\$200
Executive Director	6 months	\$400
National Director	24 months	\$3,000
Presidential Director	36 months	\$6,000

\*Time to qualify (after month of enrollment)

## Leadership Bonus

Account Executives and above are eligible to receive the Leadership Bonus on product sales. The bonus percentages are computed against network Organizational Payline Volume generated by product sales.

The bonus percentage and number of generations paid are based on the rank (level) of the Representative receiving the bonus.

Standard compression, from one bonus qualifier to the succeeding bonus qualifier, is used to determine generations. If qualified, you are your own first generation.

Leadership Bonus Qualification is based on the Personal Business Volume (PBV) produced in any given calendar month. All PBV may be combined to meet the monthly qualifications:

<b><u>Rank PBV</u></b>	<b><u>PBV Qualification</u></b>
	Account Executive \$ 29.00
Manager	\$ 29.00
Director	\$ 29.00
Executive Director	\$ 79.00
National Director	\$ 79.00
	Presidential Director \$ 79.00

<b>Leadership Bonus Payout</b>						
<b>Generation</b>	<b>Executive Director</b>	<b>Manager</b>	<b>Director</b>	<b>Executive Director</b>	<b>National Director</b>	<b>Presidential Director</b>
1	7%	7%	7%	7%	7%	7%
2	7%	7%	7%	7%	7%	7%
3		7%	7%	7%	7%	7%
4			7%	7%	7%	7%
5				7%	7%	7%
6					7%	7%
7						7%

## Network And Travel Revenue Sharing Bonus

The Travel Revenue Sharing is derived from the total commissions that America's Travel Companies, Inc. receives from the travel vendors (tour operators, hotels, cruise lines, etc.). Six (6) percent of the total commissions received by the agency is earmarked for the Revenue Sharing Pools. Four (4) percent of the Allegre Business Volume will be attributed to the Revenue Sharing Pools.

## Car/ Expense Allowance Program

National and Presidential Directors are eligible for the Car Expense/Allowance Program. They must be Bonus Qualified each month for the allowance to be paid. A monthly bonus of \$400 is paid to National Directors who generate \$40,000 in Organization Volume, not blocked by another "qualifier", during the "Earning Month". A monthly bonus of \$800 is paid to Presidential Directors who produce \$60,000 in Organization Volume not blocked by another Car Expense/Allowance "qualifier". If another National or Presidential Director in your downline qualifies for the monthly car bonus, only 50% of that related volume may be used for additional upline bonus qualifications. In the event that a Presidential Director exceeds \$40,000, but does not achieve the \$60,000 requirement in monthly OV, he/she will receive a \$400 bonus under the plan. Car/expense allowance bonus checks will be paid within two weeks of the normal check distribution.

## Promotions

When an Independent Representative qualifies for promotion, he/she, or the upline sponsor, must submit justification to Allegre specifying the qualifications supporting the promotion. Requests for promotion must be made within thirty (30) working days after the Promotion Qualifying Month.

## Preferred Benefits Program (PBP)

The Preferred Benefits Program offers extraordinary benefits to the ITA's of America's Travel Companies. The program is designed to facilitate the flow of travel information and ease of on-line bookings, as well as providing significant cost savings to participants. Allegre and America's Travel Companies will continue to evaluate and implement additional benefits, providing new products and enhancements for our ITAs. Features of the program include:

- ? You will receive unlimited access to America's Travel Companies' Web site and on-line Sabre and Apollo booking systems. You will also be linked to preferred vendor sites, providing up to the minute travel products and specials.
- ? Upon Qualification, you will be eligible for Platinum Agent status.
- ? There are no annual renewal fees.
- ? You will receive periodic Fax Blasts and/or Email Blasts, which will keep you current on late breaking news and travel specials.
- ? You will have access to travel specials exclusively designed for PBP members, as well as FAM trips, when available.
- ? You will receive the "See America at 50% Discount" book, listing over 2,000 hotels. These hotels offer up to 50% discounts from their "rack" rates when scheduled occupancy is less than 80%. An updated annual renewal of the book is available for only the shipping and handling cost of \$5.95.
- ? Also included is a certificate for the "National Golfers Network" discount book with hundreds of specials, such as 2 for 1 greens fee. You pay only the \$5.95 shipping and handling fee.
- ? The PBP monthly fee carries Personal BV and counts towards monthly qualifications. The PBP is networked and pays out through seven generations.
- ? ITA personal web sites.

## Important Marketing and Compensation Plan Notes

- ? Representatives should not purchase more inventory than they reasonably require for their own consumption, and to supply retail customers. Since promotion within the system is based on “active” frontline Representatives and/or Preferred Customers and the related product sales, there is no benefit in “inventory loading”, and Allegre specifically forbids this practice. Each month that you qualify as an active Allegre Distributor, you will receive a Leadership Bonus of 7% on up to 150 BV purchased by each Customer in your marketing organization.
- ? Spouses joining the Allegre Representative program are sponsored as a “team”. The Representative and spouse have the same sponsor and occupy the same position. At their option, a spouse may become a Representative in their own right by completing separate Preferred Customer and Representative Applications and paying the enrollment fees. This enables each spouse to sell under their own Representative number and have separate organizations. In this instance, the upline sponsor must be the corresponding spouse.
- ? Co-Applicants in the Independent Travel Agent program will book travel under the same Personal Identification Number (PIN) as the Primary Applicant. This will be the 77-xxxxx number on the Independent Travel Agent cards. The commissions will be assigned to the Primary Applicant’s Social Security number until such time as the Primary Applicant has qualified for IATAN status. At that time, upon request, the commissions may divert to the Co-Applicant’s Social Security number in order to begin the qualification process for Co-Applicant’s IATAN status.
- ? Should Co-Applicants also be enrolled in the Allegre Network Marketing Program, it is important that the Primary Representative also be the Primary Applicant in the Independent Travel Agent Program to optimize potential income (identical name for both the primary Representative and ITA).
- ? Irrespective of the preceding notes, a spouse may voluntarily choose to sponsor his/her spouse as an ITA, requiring the normal application process and the payment of the ITTP. This would enable each spouse to book travel under his/her own number and receive the corresponding commissions. In such cases, the sponsor must be the Primary Representative.



