

# A Makers' Studio

## **POLICIES AND PROCEDURES** v1.0

### **1.0 INTRODUCTION**

#### **1.1 Mutual Commitment Statement**

- A. The goal of A Makers' Studio, LLC (hereafter as “We,” “Us,” “Our,” or simply the “Company”) is to provide exceptional products and services to consumers. This is only made possible with the support of and passion by the members of the Company’s sales organization (known as “Makers”). To achieve sustained success as a business, A Makers’ Studio hereby commits to aid and support to all Makers in return for the mutual commitment made by Makers to represent and support the Company in its efforts to reach consumers with its exceptional products.

#### **1.2 Purpose of Policies and Effective Date**

- A. To clearly define the relationship that exists between Us and you, and to explicitly set a standard for acceptable business conduct, We now put forth these Policies and Procedures.
- B. As a Maker, you are required to comply with:
  - I. All of the terms and conditions set forth in the Maker Agreement, which We may amend from time to time in Our sole and absolute discretion;
  - II. All federal, state, and/or local laws governing your A Makers’ Studio business; and
  - III. Lastly, these Policies and Procedures.
- C. A Maker must review the information in these Policies and Procedures carefully. Should you have any questions regarding a policy or rule, We encourage you to seek an answer from your Sponsor (as defined in the Glossary of Terms herein). Should your Sponsor not provide the appropriate clarification, you may contact the A Makers’ Studio Customer Service Department.
- D. These Policies and Procedures shall become effective as of February 1, 2018 (“Effective Date”).

#### **1.3 These Policies and Procedures and the Compensation Plan Incorporated into the Maker Agreement**

# A Makers' Studio

- A. Throughout these Policies, when the term “Agreement” is used, this collectively refers to the Maker Agreement, these Policies and Procedures, and the Company Compensation Plan.
- B. It is the responsibility of a Sponsoring Maker to provide the most current version of these Policies and Procedures (available on the company website) and the Company Compensation Plan to each applicant prior to any execution of a Maker Agreement.

## 1.4 Changes, Amendments, and Modifications

- A. Because federal, state, and local laws, as well as the business environment, periodically change, We reserve the right to amend the Agreement from time to time. Moreover, the Company may change and amend the prices on all its product prices at any time in the future. *Please note, this provision does **NOT** apply to the arbitration clause found in Section 12, which can only be modified via mutual consent.*
- B. Any such amendment, change, or modification shall be effective immediately upon notice by one of the following methods:
  - I. Posting on the official Corporate website;
  - II. Electronic mail (e-mail); or
  - III. In writing through Company newsletters or corporate communication channels.
- C. Understand that any continued business, ordering, acceptance of a commission or bonus payout, or other benefit received by a Maker pursuant to this Agreement constitutes the acceptance of this Agreement in whole with any and all amendments.

## 1.5 Delays

A Makers' Studio shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and/or weather, curtailment of a source of supply, or government decrees or orders.

## 2.0 BASIC PRINCIPLES

### 2.1 Becoming A Maker

- A. To become a Maker, an applicant must comply with the following requirements:
  - I. If an individual, be of the age of majority (not a minor) in his or her state of residence;

## A Makers' Studio

- II. Reside or have a valid address in the United States or other U.S. territory;
- III. Have a valid taxpayer identification number (i.e. Social Security Number, Federal Tax ID Number, ITIN, etc.);
- IV. Submit a properly completed and signed (via hard copy or electronic signature) Maker Agreement;
- V. Not be a A Makers' Studio employee, or the spouse or relative of a Company employee living in the same household;
- VI. Purchase an initial A Makers' Studio package.

### 2.2 Registration and Enrollment of a Maker

- A. You can submit your Maker Agreement through mail or the A Makers' Studio website (<http://www.amakersstudio.com>). The application must be received within ten (10) business days of your enrollment for you to receive Maker benefits. If the Maker Agreement is not received within ten (10) business days, your Maker account will remain on temporary hold until We receive the Agreement.
- B. A potential new Maker may also enroll on the Sponsor's replicated website. Instead of a physically signed Maker Agreement, We will accept the web-enrollment through the "electronic signature." The electronic signature signifies that the new Maker has accepted the terms and conditions of the Maker Agreement, the Policies and Procedures, the Terms of Use, and the Compensation Plan. Please note that such electronic signature constitutes a legally binding agreement between you and the Company.
- C. A Makers' Studio reserves the right to require signed paperwork for any account, regardless of origin.
- D. Signed documents, including, but not limited to Maker agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after execution. False or misleading information, forged signatures or alterations to any document, including business registration forms, made after a document has been executed may lead to sanctions, up to and including involuntary termination of the Maker's business.

### 2.3 Rights Granted

- A. A Makers' Studio hereby grants to the Maker a non-exclusive right, based upon the terms and conditions contained in the Maker Agreement and these Policies and Procedures, to the following:

## A Makers' Studio

- I. The ability to purchase, sell and promote A Makers' Studio products and services;
- II. Sponsor new Makers and Customers in the United States, building a sales organization and earning commissions of the personal and downline sales of A Makers' Studio products.

### 2.4 Identification Numbers

- A. Each Maker is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to the Company on the Maker Agreement. We reserve the right to withhold commission payments from any Maker who fails to provide such information or who provides false information.
- B. Upon enrollment, We will provide you a A Makers' Studio Identification Number. This number will be used to place orders, structure organizations, and track commissions and bonuses.

### 2.5 Business Entities

- A. A corporation, partnership, LLC, or trust (collectively referred to as a "Business Entity") may apply to be a Maker. This Maker business and position will remain *temporary* until the submission of proper documents. As examples of proper documents, We expect a Business Entity application to come with some of the following: Certificate of Incorporation, Articles of Organization, Partnership Agreement or appropriate Trust documents. We must receive these documents within ten (10) business days from the date of the Maker Agreement's execution.
- B. A Maker may change his or her status under the same Sponsor from an individual to a Business Entity so long as he or she complies with Section 2.5(A).

### 2.6 Independent Business Relationship; Indemnification for Actions

- A. As a Maker, you are an independent contractor, and not a purchaser of a franchise or business opportunity. As a result, each Maker's success depends entirely upon his, her or its own independent efforts.
- B. The Agreement between you and Us does not create an employer/employee relationship, agency, partnership, or joint venture.
- C. A Maker shall not be treated as an employee of A Makers' Studio for any purposes, including, without limitation, for federal or state tax purposes. You are responsible for paying local, state, and federal taxes due from all compensation earned as a Maker. Any other compensation received by Makers from the Company will be governed by

# A Makers' Studio

applicable U.S. tax laws (or the tax laws of any other applicable jurisdiction). You as a Maker have no express or implied authority to bind A Makers' Studio to any obligation or to make any commitments by or on behalf of the Company. Each Maker, whether acting as management of a Business Entity or represented as an individual, shall establish his, her or its own goals, hours, and methods of operation and sale, so long as in compliance with the terms of the Maker Agreement, these Policies and Procedures and applicable state and federal laws.

- D. You are fully responsible for all of your verbal and written communications made regarding A Makers' Studio products, services, and the Compensation Plan that are not expressly contained within official Company materials. Makers shall indemnify and hold harmless A Makers' Studio, its directors, officers, employees, product suppliers and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by A Makers' Studio as a result of the Maker's unauthorized representations or actions. This provision shall survive the termination of the Maker Agreement.

## **2.7 Errors or Questions**

If a Maker has questions about, or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Company requires any inquiries in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within this thirty-day timeframe days is expressly waived by Maker.

## **3.0 RESPONSIBILITIES OF A MAKER**

### **3.1 Correct Addresses**

- A. It is the responsibility of any Customer or Maker to ensure the Company has the correct shipping address before the shipment of any orders.
- B. For any notice of address change sent to the Company, a Customer or Maker will need to allow up to thirty (30) days for processing.

### **3.2 Training and Leadership**

- A. Any Maker who sponsors another Maker into A Makers' Studio must perform an authentic assistance and training function to ensure those made up of their downline organizations operate their business in accordance with these Policies and Procedures. Sponsoring Makers should have ongoing contact and communication with those in their downline organizations. Examples of communication may include, but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voice-mail, e-mail, personal meetings, accompaniment of downline Makers to Company meetings, training sessions and any other related functions.

## A Makers' Studio

- B. A Sponsoring Maker should monitor the Makers in his or her downline organizations to ensure that downline Makers do not make improper product or business claims, or engage in any illegal or inappropriate conduct. Upon request, a Maker should be able to provide documented evidence to the Company of his or her ongoing fulfillment of Sponsor responsibilities.
- C. Upline Makers are encouraged to motivate and train new Makers about Company products and services, effective sales techniques, the Company Compensation Plan and compliance with these Policies and Procedures.
- D. The marketing and sale of products is a required activity in A Makers' Studio and must be emphasized in all recruiting presentations.
- E. We prioritize all Makers to sell A Makers' Studio's products and services to Customers.
- F. Use of Sales Aids. To promote both the products and the opportunity A Makers' Studio offers, Makers must use the sales aids and support materials produced by the Company. If Makers develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding any good intentions, they may unintentionally violate any number of statutes or regulations affecting the Company and its business. These violations, although they may be relatively few in number, could jeopardize the A Makers' Studio opportunity for all. Accordingly, Makers must submit all written sales aids, promotional materials, advertisements, websites and other literature to the Company for approval prior to use. Unless the Maker receives specific written approval to use the material, the request shall be deemed denied. All Makers shall safeguard and promote the good reputation of A Makers' Studio and its products. The marketing and promotion of A Makers' Studio, the Maker opportunity, the Compensation Plan, and the Company products and services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

### **3.3 Constructive Criticism; Ethics**

- A. It is Our goal to provide you with the best products and Compensation Plan in the network marketing industry. Accordingly, We value constructive criticism and encourage the submission of written comments addressed to the Company's Compliance Department.
- B. Negative and disparaging comments by Makers made to others about the Company, its products or Compensation Plan, or disruptive behavior at Company meetings or events, serve no purpose other than to dampen the enthusiasm of all those who participate in the A Makers' Studio business. Makers must not belittle the Company, other Makers, the Company products or services, the Compensation Plan, or Company directors, officers, or employees, product suppliers or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as the Company sees fit.

## A Makers' Studio

### **C. A Makers' Studio endorses the following Code of Ethics:**

- I. Makers must show fairness, tolerance, and respect to all people associated with A Makers' Studio, regardless of race, gender, social class or religion;
  - II. Makers must contribute to and foster an atmosphere of positivity, teamwork, good morale and community spirit.
  - III. Makers shall strive to resolve business issues, including situations with upline and downline Makers, by emphasizing tact, sensitivity, good will and taking care not to create additional problems.
  - IV. Makers must be honest, responsible, professional and conduct themselves with integrity.
  - V. Makers shall never disparage the Company, other Makers, Company employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Compensation Plan, or make statements that unreasonably offend, mislead or coerce others.
- D. A Makers' Studio may take appropriate action against a Maker if it determines, in its sole discretion, that the Maker's conduct is detrimental, disruptive, or injurious to the Company or other Makers.

### **3.4 Reporting Policy Violation**

- A. A Maker who observes a policy violation by another Maker should submit a written and signed letter (e-mail will not be accepted) of the violation directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows:
  - I. The nature of the violation and specific facts to support the allegation;
  - II. Number of occurrences and dates;
  - III. The Persons involved; and
  - IV. Any other supporting documentation
- B. Upon presentation to the Company Compliance Department, We will research the incident in question and take appropriate action if necessary.
- C. This section refers to the general reporting of policy violations as observed by other Makers for the mutual effort to support, protect, and defend the integrity of the A Makers' Studio business and opportunity. If a Maker has a grievance or complaint

## A Makers' Studio

against another Maker which directly relates to his or her A Makers' Studio business, the procedures set forth in these Policies must be followed.

### 3.5 Sponsorship

- A. The Sponsor is the person who introduces a Customer or Maker to the A Makers' Studio business, helps them complete their enrollment, and supports and trains those in their downline.
- B. A Makers' Studio recognizes the Sponsor as the name(s) shown on the first:
  - I. Physically signed Maker Agreement on file; or
  - II. Electronically signed Maker Agreement from either the Company's website or a Maker's replicated website.
- C. A Maker Agreement that contains notations such as "by phone" or the signatures of other individuals (i.e. Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by the Company.
- D. We recognize that each new prospect has the right to ultimately choose his or her own Sponsor, but We will not allow Makers to engage in unethical sponsoring activities.
- E. All active Makers in good standing have the right to Sponsor and enroll others into the A Makers' Studio business. While engaged in sponsoring activities, it is not uncommon to encounter situations when more than one Maker will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Maker who presented a comprehensive introduction to the Company's products or opportunity.
- F. A *Protected Prospect* is a guest of any Customer or Maker who attended a Company event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other Maker who attended the same event. A Company event can be defined as any of the following:
  - I. A training session;
  - II. Conference call;
  - III. General meeting or presentation, including but not limited to a at home presentation, whether sponsored by the Company, Customer or Maker.

### 3.6 Cross Sponsoring Prohibition

- A. "Cross sponsoring" is defined as the enrollment of an individual or Business entity into a different line of sponsorship who has already signed a Maker Agreement. Actual or

## A Makers' Studio

attempted cross sponsoring is not allowed. If cross sponsoring is verified by the Company, sanctions up to and including termination of a Maker's business may be imposed.

- B. The use of a Spouse's or relative's name, trade names, assumed names, DBA names, corporation, partnership, trust, Federal ID numbers, or fictitious ID numbers to evade or circumvent this policy is strictly prohibited.
- C. This policy does not prohibit the transfer of a A Makers' Studio business in accordance with the Sale or Transfer policy set forth herein.

### **3.7 Adherence to the A Makers' Studio Compensation Plan**

- A. A Maker must adhere to the terms of the Company Compensation Plan. Any deviation from the Compensation Plan is strictly prohibited.
- B. A Maker shall not offer the A Makers' Studio opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company materials.
- C. A Maker shall not require or encourage a current or prospective Customer or Maker to participate in the A Makers' Studio business in any manner that varies from the Compensation Plan or other Company materials.
- D. Other than such purchases or payments required to naturally build their business, a Maker shall not require or encourage a current or prospective Customer or Maker to make a purchase from or payment to any individual or other entity as a condition to participating in the Company Compensation Plan.

### **3.8 Adherence to Laws and Ordinances**

- A. Many cities and counties have laws regulating certain home-based businesses. In most cases, these ordinances do not apply to Makers because of the nature of the business. However, Makers must check their local laws and obey the laws that do apply to them. A Maker shall comply with all federal, state and local laws and regulations in their independent conducting of A Makers' Studio business.

### **3.9 Compliance with Applicable Income Tax Laws**

- A. A Makers' Studio will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each US Maker whose earnings for the year is at least \$600 or who has purchased more than \$5,000 of A Makers' Studio products for resale, or who received trips, prizes or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Maker, and a minimum charge of \$20 may be assessed by A Makers' Studio.

## A Makers' Studio

- B. A Maker accepts sole responsibility for and agrees to pay all federal, state and local taxes on any income generated as an independent business owner, and further agrees to indemnify A Makers' Studio from any failure to pay such tax amounts when due.
- C. If a Maker's business is tax exempt, the Federal Tax Identification number must be provided to the Company in writing.
- D. A Makers' Studio encourages all Makers to consult with a tax advisor for additional information for their business.

### **3.10 One A Makers' Studio Business Per Maker**

A Maker may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one (1) A Makers' Studio business. No individual may have, operate or receive compensation from more than one A Makers' Studio business. Individuals of the same family unit may each enter into or have an interest in their own separate A Makers' Studio businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A "family unit" is defined as Spouses and dependent children living at or doing business at the same address.

### **3.11 Actions of Household Members or Affiliated Parties**

If any member of your immediate household engages in any activity which, if performed by you, would violate any provision of the Agreement, such activity will be deemed a violation by you. As a result, the Company may take disciplinary action pursuant to these Policies and Procedures against you. Similarly, if any individual associated in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and the Company may take disciplinary action against the Business Entity. Likewise, if a Maker enrolls in A Makers' Studio as a Business Entity, each affiliated party of the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

### **3.12 Solicitation for Other Companies or Products**

- A. A Maker may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities (collectively "Network Marketing"). However, during the Term of this Agreement and for one (1) year thereafter, you may not recruit any other A Makers' Studio Customer or Maker for any other Network Marketing business, unless said Customer or Maker was personally sponsored by you.
- B. The term "recruit" means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Customer or Maker to enroll or participate in any Network Marketing opportunity. This

## A Makers' Studio

conduct represents recruiting even if the Maker's actions are in response to an inquiry made by another Customer or Maker.

- C. During the term of this Agreement and for a period of six (6) months thereafter, you must not sell, or entice others to sell, any competing products or services, including training materials, to A Makers' Studio Customers or Makers. Any product or service in the same sales category as a A Makers' Studio is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality).
- D. However, you may sell non-competing products or services to A Makers' Studio Customers and Makers that you personally sponsored.
- E. A Maker may not display or bundle A Makers' Studio products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Maker into believing there is a relationship between A Makers' Studio and the non-Company related products or services.
- F. You may not offer any non-Company related opportunity, products or services at any A Makers' Studio-related meeting, seminar or convention, or immediately following said event(s).
- G. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between A Makers' Studio and you. As a result, such actions would inflict irreparable harm on A Makers' Studio. In such event, A Makers' Studio may, at its sole discretion, impose any sanction it deems necessary and appropriate against the Maker or Maker's business including termination, the request for immediate injunctive relief, or the pursuit of any other legal and equitable remedies.

### **3.13 Presentation of the A Makers' Studio Opportunity**

- A. In presenting the Company opportunity to potential Customers and Makers, you must comply with the following provisions:
  - I. Abstain from a misquote or omission of any significant material fact about the Compensation Plan.
  - II. Make clear that the Compensation Plan is based upon sales of A Makers' Studio products and services to consumers.
  - III. Make clear that success can be achieved only through substantial independent efforts and hard work.

## A Makers' Studio

- IV. Abstain from unauthorized income projections, claims, or guarantees during any presentation or discussion the A Makers' Studio opportunity or Compensation Plan to prospective Customers or Makers.
- V. Abstain from any claims regarding Company products or services not found in official Company materials.
- VI. Refrain from the promotion of A Makers' Studio in any country where We have not yet established a “presence.”
- VII. To conduct best business practices, We developed the Income Disclosure Statement (“IDS”). The A Makers' Studio IDS is designed to convey truthful, timely, and comprehensive information regarding the income that Makers may earn. To accomplish this objective, the Company requires you to provide a copy of the IDS to all prospective Makers any time the Compensation Plan is presented or discussed or any type an income claim or earnings representation is made.

Note: The terms “income claim” and/or “earnings representation” (collectively “income claim”) include the following: (1) statements of average earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one Maker earned over two hundred thousand dollars last year” or “Our average-ranking Maker earns one thousand per month.” An example of a “statement of earnings ranges” is “The monthly income for our higher-ranking Makers is five thousand dollars on the low end to twenty-five thousand dollars a month on the high end.”

### **3.14 Sales Requirements are Governed by the Compensation Plan**

- A. For all A Makers' Studio products, the Company provides a set sales price. There are no exclusive territories granted to anyone. No franchise fees are applicable to a A Makers' Studio business.
- B. The A Makers' Studio program is built on sales to the ultimate consumer. Thus, Makers must only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for ultimate use. ***Makers must never attempt to influence any other Maker to buy more products than they can reasonably use or sell to Customers in a month.***

## **4.0 ORDERING**

### **4.1 General Order Policies**

- A. “Bonus Buying” is strictly and absolutely prohibited. Bonus Buying includes any of the following scenarios: (i) the enrollment of individuals or entities without the knowledge

## A Makers' Studio

of and/or execution of an Agreement by such individuals or Business Entities; (ii) the fraudulent enrollment of an individual or entity as a Customer or Maker; (iii) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Customers or Makers ("phantoms"); (iv) purchasing A Makers' Studio products or services on behalf of another Customer or Maker, or under another Customer's or Maker's ID number, to qualify for commissions or bonuses; (v) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and/or (vi) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end user consumers.

A Maker shall not use another Customer's or Maker's credit card or debit checking account to enroll in A Makers' Studio or purchase products or services without the account holder's *written permission*. Such documentation must be kept by the Maker indefinitely in case We need to reference this.

- B. Regarding an order with an invalid or incorrect payment, We will attempt to contact the Maker by phone, mail or e-mail in order to obtain another form of payment. If these attempts are unsuccessful after ten (10) business days, the order will be canceled.
- C. Prices are subject to change without notice.
- D. A Customer or Maker who is a recipient of a damaged or incorrect order must notify A Makers' Studio within thirty (30) calendar days from receipt of the order and follow the procedures as set forth in these Policies.

### 4.2 Insufficient Funds

- A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the Customer or Maker for all returned checks and insufficient funds.
- B. Any outstanding balance owed to Us by a Customer or Maker of yours from NSF (non-sufficient funds) checks, returned check fees or insufficient fund fees (ACH) will be withheld from your future bonus and commission checks.
- C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved in a timely manner by the Maker, constitute grounds for disciplinary sanctions.
- D. If a credit card order or automatic debit is declined the first time, the Customer or Maker will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Maker may be deemed ineligible to purchase Company products or services in the future.

# A Makers' Studio

## **4.3 Sales Tax Obligation**

- A. You as a Maker shall comply with all state and local taxes and regulations governing the sale of Our products and services.
- B. We will collect and remit sales tax on Maker orders unless a Maker furnishes Us with the appropriate Resale Tax Certificate form. When orders are placed with Us, sales tax is prepaid based upon the suggested retail price. We will remit the sales tax to the appropriate state and local jurisdictions. The Maker may recover the sales tax when he or she makes a sale.
- C. A Makers' Studio encourages each Maker to consult with a tax advisor for additional information for his or her business.

## **5.0 PAYMENT OF COMMISSIONS & BONUSSES**

### **5.1 Bonus and Commission Qualifications**

- A. A Maker must be active (as defined in the Glossary of Terms) and in compliance with these Policies and Procedures to qualify for bonuses and commissions. So long as a Maker complies with the terms of the Agreement, We shall pay commissions to such Maker in accordance with the Compensation Plan.
- B. We will not issue a payment to a Maker without the receipt of a completed and signed Maker Agreement via hard copy or through Electronic Authorization.
- C. A Makers' Studio reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$25.

### **5.2 Computation of Commissions and Discrepancies**

- A. A Maker must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After this thirty-day "grace period," no additional requests will be considered for commission recalculations.
- B. For additional information on payment of commissions, please review the Compensation Plan.

### **5.3 Adjustments to Bonuses and Commissions for Returned Products**

- A. A Maker receives bonuses and commissions based on the actual sales of products and services to end consumers. When a product or service is returned to the Company for a refund from the end consumer, the bonuses and commissions attributable to the returned product or service will be deducted from the Maker who received bonuses or

## A Makers' Studio

commissions on said sales. Deductions will occur in the month in which the refund is given and continue every pay period thereafter until the bonus/and or commission is recovered.

- B. In the event that a Maker terminates his or her business, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by the Company, the remainder of the outstanding balance may be offset against any other amounts that may be owed by the Company to the terminated Maker.

### **6.0 SATISFACTION GUARANTEED AND RETURN OF SALES AIDS**

A Makers' Studio offers a one hundred percent (100%) thirty-day money back guarantee for all Customers. If a Customer purchased a product or service and is not satisfied with the product or service, the Customer may request a refund from their Maker. If you as a Maker are not 100% satisfied with our products, you may return the items for a refund if: (i) neither you nor We have terminated the Agreement; (ii) the products or services were purchased within the previous (30) days; and (iii) the products remain in resalable condition (as defined in the Glossary of Terms). The refund shall be ninety percent (90%) of the purchase price. Shipping and handling charges incurred will not be refunded.

Upon cancellation of the Agreement, the Maker may return all generic sales aids purchased within one (1) year from the date of cancellation for a refund if he or she is unable to sell or use the merchandise. A Maker may only return sales aids he or she personally purchased from the Company under his or her Maker Identification Number, and which are in Resalable Condition. Any custom orders of printed sales aids (i.e., business cards, brochures, etc.) where on the Maker's contact information is imbedded or hard printed, or has been added by the Maker, are not able to be returned in Resalable Condition and are thus nonrefundable. Upon A Makers' Studio's receipt of the products and sales aids, the Maker will be reimbursed ninety percent (90%) of the net cost of the original purchase price(s), less shipping and handling charges. If the purchases were made through a credit card, the refund will be credited back to the same credit card account. The Company shall deduct from the reimbursement paid to the Maker any commissions, bonuses, rebates or other incentives received by the Maker which were associated with the merchandise that is returned.

### **6.1 Return Process**

- A. All returns, whether by a Customer or Maker, must be made as follows:
  - I. Obtain Return Merchandise Authorization ("RMA") from the Company;
  - II. Ship items to the address provided by the Company Customer Service Department when you are given your RMA;
  - III. Provide a copy of the invoice with the returned products or service. Such invoice must reference the RMA and include the reason for the return; and

# A Makers' Studio

- IV. Ship back product in manufacturer's box exactly as it was delivered.
- B. All returns must be shipped to the Company pre-paid, as We do not accept shipping collect packages. We recommend shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer or Maker. If returned product is not received at the Company Distribution Center, it is the responsibility of the Customer or Maker to trace the shipment and no credit will be applied.
- C. The return of \$500 or more of products accompanied by a request for a refund within a single calendar year by a Maker may constitute grounds for involuntary termination.

## **7.0 PRIVACY POLICY**

### **7.1 Introduction**

This Privacy Policy is to ensure that all Customers and Makers understand and adhere to the basic principles of confidentiality.

### **7.2 Expectation of Privacy**

- A. A Makers' Studio recognizes and respects the importance its Customers and Makers place on the privacy of their financial and personal information. Thus, We will make reasonable efforts to safeguard the privacy of, and maintain the confidentiality of its Customers' and Makers' financial and account information and nonpublic personal information.
- B. By entering into the Maker Agreement, you authorize A Makers' Studio to disclose your name and contact information to upline Makers solely for activities related to the furtherance of the A Makers' Studio business. A Maker hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting A Makers' Studio business.

### **7.3 Employee Access to Information**

We limit the number of employees who have access to Customers' and Makers' nonpublic personal information.

### **7.4 Restrictions on the Disclosure of Account Information**

A Makers' Studio will not share non-public personal information or financial information about current or former Customers or Makers with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Makers' interests or to enforce its rights or

# A Makers' Studio

obligations under these Policies and Procedures, the Maker Agreement, or with written permission from the accountholder on file.

## **8.0 PROPRIETARY INFORMATION AND TRADE SECRETS**

### **8.1 Business Reports, Lists, and Proprietary Information**

By completing and signing the Maker Agreement, you acknowledge that Business Reports, lists of Customer and Maker names and contact information, and any other information, which contain financial, scientific or other information both written or otherwise circulated by the Company pertaining to the business of A Makers' Studio (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to the Company.

### **8.2 Obligation of Confidentiality**

- A. During the Term of the Maker Agreement and for a period of five (5) years after the termination or expiration of the Maker Agreement between you and Us, you shall not:
  - I. Use the information in the Reports to compete with A Makers' Studio or for any purpose other than promoting your business;
  - II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

### **8.3 Breach and Remedies**

The Maker acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to A Makers' Studio and to independent A Makers' Studio businesses. The Company and its Makers will be entitled to injunctive relief or to recover damages against any Maker who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs and expenses.

### **8.4 Return of Materials**

Upon demand by the Company, any current or former Maker will return the original and all copies of all "Reports" to the Corporate office together with any other Company confidential information in such person's possession.

## **9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS**

# A Makers' Studio

## 9.1 Labeling, Packaging, and Displaying Products

- A. A Maker may not re-label, re-package, refill, or alter labels of any A Makers' Studio product or service information, materials or program(s) in any way. Company products and services must only be sold in their original containers from A Makers' Studio. Such re-labeling or re-packaging violates federal and state laws, which may result in criminal or civil penalties or liability.
- B. A Maker shall not cause any Company product or service or any Company trade name to be sold or displayed in retail establishments except:
  - I. Where the retail establishment is owned or managed by the Maker, the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.
- C. A Maker may sell Company products and services and display the Company trade name at any appropriate display booth (such as trade shows) upon *prior written approval* from A Makers' Studio.
- D. We reserve the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services.

## 9.2 Use of Company Names and Protected Materials

- A. A Maker must safeguard and promote the good reputation of the Company and the products and services it markets. The marketing and promotion of the Company, the A Makers' Studio opportunity, the Compensation Plan, and its products and services will be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.
- B. All promotional materials supplied or created by Us must be used in their original form and cannot be changed, amended or altered except with prior written approval from the Company Compliance Department.
- C. The name A Makers' Studio, each of its product and service names and other names that have been adopted by the Company in connection with its business are proprietary trade names, trademarks and service marks of A Makers' Studio. As such, these marks are of great value to the Company and are supplied to Makers for their use only in an expressly authorized manner.
- D. A Maker's use of the name "A Makers' Studio" is restricted to protect the Company's proprietary rights, ensuring that the Company protected names will not be lost or compromised by unauthorized use. Use of the A Makers' Studio name on any item not produced by the Company is prohibited except as follows:

## A Makers' Studio

- I. [Maker's name] An Independent Maker of A Makers' Studio
  - II. [Maker's name] Independent Business Owner of A Makers' Studio products and services.
- E. Further procedures relating to the use of the A Makers' Studio name are as follows:
- I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the A Makers' Studio name or logo intended for use by the Maker must be approved in writing by the Company Compliance Department.
  - II. A Makers' Studio Makers may list "Independent Maker of A Makers' Studio" in the white pages of the telephone directory under his or her own name.
  - III. Makers may not use the name "A Makers' Studio," "A Makers' Studio Corporate," or "Corporate Office of A Maker's Studio" in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "A Makers' Studio Maker."
- F. Certain photos and graphic images used by A Makers' Studio in its advertising, packaging, and websites are the result of paid contracts with outside vendors that do not extend to Makers. If a Maker wants to use these photos or graphic images, they must negotiate individual contracts with the vendors for a fee.
- G. A Maker shall not appear on or make use of television or radio, or make use of any other media to promote or discuss the Company, its programs, products or services without prior written permission from the Company Compliance Department.
- H. A Maker may not produce for sale or distribution any Company event or speech, nor may a Maker reproduce Company audio or video clips for sale or for personal use without prior written permission from the Company Compliance Department.
- I. A Makers' Studio reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Maker.
- J. A Maker shall not promote non-A Makers' Studio products or services in conjunction with Company products or services on the same websites or same advertisement.

### 9.3 Faxes and E-mail Limitations

## A Makers' Studio

- A. Except as provided in this section, a Maker may not use or transmit unsolicited faxes, email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her A Makers' Studio business. The exceptions are:
  - I. Faxes or e-mailing any person who has given prior permission or invitation;
  - II. Faxing or e-mailing any person with whom the Maker has established a prior business or personal relationship.
- B. In all states where prohibited by law, a Maker may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other device), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.
- C. All faxes, e-mail or computer broadcasted documents subject to this provision shall include each of the following:
  - I. A clear and obvious identification that the fax or e-mail message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
  - II. A clear return path or routing information;
  - III. The use of legal and proper domain name;
  - IV. A clear and obvious notice of the opportunity to decline to receive further commercial facsimile or e-mail messages from the sender;
  - V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
  - VI. The true and correct name of the sender, valid senders fax or e-mail address, and a valid sender physical address;
  - VII. The date and time of the transmission;
  - VIII. Upon notification by recipient of his or her request not to receive further faxed or e-mailed documents, a Maker shall not transmit any further documents to that recipient.
- D. All e-mail or computer broadcasted documents subject to this provision shall not include any of the following:
  - I. Use of any third-party domain name without permission; and

# A Makers' Studio

## II. Sexually explicit materials.

### 9.4 Internet and Third-Party Website Restrictions

- A. A Maker may not use or attempt to register any of A Makers' Studio's trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, e-mail addresses, web pages, or blogs.
- B. A Maker may not sell A Makers' Studio products, services or the A Makers' Studio opportunity on "online auctions," such as eBay®, or "online marketplaces" such as Amazon.
- C. The Company provides all Makers with one (1) replicated website. A Makers' Studio replicated website is a personal Maker website that is hosted on Company servers. As for any Maker who wishes to develop its own third-party website (or site not affiliated with the Company and independently owned and operated by the Maker) must seek and receive the Company's prior written approval before going live with such third-party website. Should the Company grant the Maker approval to use a third-party website, the site must:
  - a. Identify yourself as a Maker for A Makers' Studio;
  - b. Use only the approved images and wording authorized by the Company;
  - c. Adhere to the branding, trademark, and image usage policies described in this document.
  - d. Adhere to any other provision regarding the use of a third-party website described in this document;
  - e. Agree to give the Compliance Department at A Makers' Studio access to the third-party website and, if the website is password protected, give the Compliance Department the appropriate passwords or credentials allowing unlimited access.
  - f. Agree to modify your website to comply with current or future Company policies.
- D. All marketing materials used on a Maker's third-party website must be provided by the Company in writing.
- E. To avoid confusion, the following three elements must also be prominently displayed at the top of every page of any third-party website:
  1. The A Makers' Studio Maker Logo
  2. Your Name and Title
  3. A Makers' Studio Corporate Website Redirect Button

## A Makers' Studio

- F. A Maker may not use third-party sites that contain materials copied from corporate sources (such as A Makers' Studio brochures, CDs, videos, tapes, events, presentations, and corporate websites). This policy ensures brand consistency, allows Customers and Makers to stay up-to-date with changing products, services and information, facilitates enrollment under the correct Sponsor, and assists in compliance with government regulations.
- G. If a Maker who has received authorization to create and post any third-party website has his or her business voluntarily or involuntarily canceled for any reason, or if the Company revokes authorization allowing the Maker to maintain such a third-party website, the Maker shall assign the URL to his/her third-party website to the Company within three (3) days from the date of the cancellation and/or re-direct all traffic to the site as directed by the Company. We reserve the right to revoke any Maker's right to use a third-party website at any time if We believe that such revocation is in the best interest of A Makers' Studio, its Makers, and Customers. Decisions and corrective actions in this area are at the Company's sole discretion.
- H. Social Media sites may not be used to sell or offer to sell A Makers' Studio products or services. **PROFILES A MAKER GENERATES IN ANY SOCIAL COMMUNITY WHERE A MAKERS' STUDIO IS DISCUSSED OR MENTIONED MUST CLEARLY IDENTIFY THE MAKER AS A MAKERS' STUDIO MAKER**, and when a Maker participates in those communities, he or she must avoid inappropriate conversations, comments, images, video, audio, applications or any other adult, profane, discriminatory or vulgar content. The determination of what is inappropriate is at the Company's sole discretion, and offending Makers will be subject to disciplinary action. Banner ads and images used on these sites must be current and must come from the A Makers' Studio approved library. If a link is provided, it must link to the posting Maker's replicated website or an approved third-party website.
- I. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Makers will be subject to disciplinary action.
- J. Makers may not use blog spam, spamdexing or any other mass-replicated methods to leave blog comments. Comments Makers create or leave must be useful, unique, relevant and specific to the blog's article.
- K. Makers must disclose their full name on all Social Media postings, and conspicuously identify themselves as an independent Maker for A Makers' Studio. Anonymous postings or use of an alias is prohibited.
- L. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, false or deceptive postings relating to the A Makers' Studio income opportunity, the Company products and services, and/or your biographical information and credentials.

## A Makers' Studio

- M. Makers are personally responsible for their postings and all other online activity that relates to A Makers' Studio. Therefore, even if a Maker does not own or operate a blog or Social Media site, if a Maker posts to any such site that relates to A Makers' Studio or which can be traced to the Company, the Maker is responsible for the posting. Makers are also responsible for postings which occur on any blog or Social Media site that the Maker owns, operates, or controls.
- N. As a Maker, it is important to not converse with any person who places a negative post against you, other Makers, or the Company. Report negative posts to the Company Compliance Department. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge and who does not hold themselves to the same high standards as what is expected from the Company. As a result, engaging in conversation with such a person may damage the reputation and goodwill of A Makers' Studio.
- O. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, A Makers' Studio therefore reserves the sole and exclusive right to classify certain Social Media sites as third-party websites and require that Makers using, or who wish to use, such sites adhere to the A Makers' Studio's policies relating to third-party websites.
- P. If your A Makers' Studio business is cancelled for any reason, you must discontinue using the Company name, and all of the Company's trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent A Makers' Studio Maker, you must conspicuously disclose that you are no longer a Maker of A Makers' Studio.
- Q. Failure to comply with these Policies for conducting business online may result in the Maker losing their right to advertise and market Company products, services and the A Makers' Studio's opportunity online or any other disciplinary action available under the Policies and Procedures.

### **9.5 Advertising and Promotional Materials**

- A. No special enticement advertising is allowed. This includes, but is not limited to, offers of a free business, free product packages, shipping, or other such offers that grant advantages beyond those available through the Company.
- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.

## A Makers' Studio

- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the Company Compliance Department.
- D. All requests for approvals with respect to advertising must be directed in writing to the Company Compliance Department.
- E. A Makers' Studio approval is not required to place blind ads that do not mention A Makers' Studio, its employees, any of its products, services, designs, symbols, programs, and trademarked, copyrighted, or otherwise protected materials.
- F. A Makers' Studio reserves the right to rescind its prior approval of submitted advertising or promotional materials in order to comply with changing laws and regulations, and may require the removal of such advertisements from the marketplace without obligation to the affected Maker.

### **9.6 Testimonial Permission**

By signing the Maker Agreement, you give Us permission to use your testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio and video. In consideration of being allowed to participate in the A Makers' Studio opportunity, you waive any right to be compensated for the use of your testimonial or image and likeness even though the Company may be paid for items or sales materials containing such image and likeness. In some cases, a Maker's testimonial may appear in another Maker's advertising materials. If a Maker does not wish to participate in A Makers' Studio sales and marketing materials, he or she should provide a written notice to the Company Compliance Department to ensure that his or her testimonial or image and likeness will not be used in any corporate materials, corporate recognition pieces, advertising or recordings of annual events.

### **9.7 Telemarketing Limitations**

- A. A Maker must not engage in telemarketing in relation to the operation of his or her A Makers' Studio business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of A Makers' Studio products or services, or to recruit them for the A Makers' Studio opportunity.
- B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both federal agencies, as well as a number of states have "do not call" regulations as part of their telemarketing laws.
- C. While a Maker may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Maker to violate the law. These

## A Makers' Studio

regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).

- D. "Cold calls" or "state-to-state calls" made to prospective Customers or Makers that promote either A Makers' Studio products, services or the A Makers' Studio opportunity is considered telemarketing and is prohibited.
- E. Exceptions to Telemarketing Regulations. A Maker may place telephone calls to prospective Customers or Makers under the following limited situations:
  - I. If the Maker has an established business relationship with the prospect;
  - II. In response to the prospect's personal inquiry or application regarding a product or service offered by the Maker within three (3) months immediately before the date of such a call;
  - III. If the Maker receives written and signed permission from the prospect authorizing the Maker to call;
  - IV. If the call is to family members, personal friends, and acquaintances. However, if a Maker makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
  - V. A Maker engaged in calling "acquaintances," must make such calls on an occasional basis only and not as a routine practice.
- F. A Maker shall not use automatic telephone dialing systems in the operation of his or her A Makers' Studio businesses.
- G. Failure to abide by Company policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Maker's business, up to and including termination of the business.
- H. By signing the Maker Agreement, or by accepting commission checks, other payments or awards from A Makers' Studio, a Maker gives permission to A Makers' Studio and other Makers to contact them as permitted under the Federal Do Not Call regulations.
- I. In the event a Maker violates this section, We reserve the right to institute legal proceedings to obtain monetary or equitable relief.

### **10.0 CHANGES TO A MAKER'S BUSINESS**

#### **10.1 Modification of the Maker Agreement**

## A Makers' Studio

A Maker may modify his or her existing Maker Agreement (i.e., change a social security number to a Federal ID number, add a Spouse or partner to the account, or change the form of ownership from an individual to a Business Entity owned by the Maker) by submitting a written request, accompanied by a new Maker Agreement and the Business Registration Form, if applicable, completed with fresh signatures (not a “crossed out” or “white-out” version of the first Agreement), and any appropriate supporting documentation.

### 10.2 Change Sponsor or Placement for Active Maker

- A. Maintaining the integrity of the organizational structure is mandatory for the success of A Makers' Studio and our independent Makers. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first 30 days of initial enrollment as a Maker. Furthermore, such changes may only occur within the same organization.
- B. Sponsors may make “Placement changes” from one Maker to another for personally Sponsored (frontline) Makers during the first 30 days of enrollment.
- C. New Makers or their original Sponsor may request a change of Sponsor or Placement within the first 30 days of enrollment for the purpose of structuring an organization. The new Maker Agreement must be received within the calendar month for commission calculations to be effective with the requested change.
- D. To change or correct the Sponsor, a Maker must comply with following procedures:
  - I. Submit a Sponsor Placement Transfer Form;
  - II. Submit a Maker Agreement showing the correct Sponsor and Placement, and any appropriate supporting documentation;
  - III. The Maker Agreement must be a new, completed document bearing “fresh” signatures, not a “crossed-out” or “white-out” version of the first Agreement.
- E. Upon approval, the Maker’s downline, if any, will transfer with the Maker.
- F. After the first 30 days from initial enrollment, the Company will honor the Sponsor/Placement as shown:
  - I. On the most recently signed Maker Agreement on file; or
  - II. Self-enrolled on the website (i.e., electronically signed web Agreement).
- G. A Makers' Studio retains the right to approve or deny any requests to change Sponsor or Placement, and to correct any errors related thereto at any time and in whatever manner it deems necessary.

# A Makers' Studio

## 10.3 Change Sponsor or Placement for Inactive Makers

- A. At the discretion of A Makers' Studio, Makers who neither sold nor purchased products for at least twelve (12) months, and who have not tendered a letter of resignation, are eligible to re-enroll in the Company under the Sponsor/Placement of their choice.
- B. Upon written notice to the Company that a former Maker wishes to re-enroll, A Makers' Studio will “compress” (close) the original account. A new Maker ID number will then be issued to the former Maker.
- C. Such Maker does not retain former rank, downline, or rights to commission checks from his or her former organizations.
- D. The Company reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

## 10.4 Change Organizations

- A. If a Maker wishes to transfer organizations, he or she must submit a letter of resignation to the Company Customer Service Department and remain inactive (neither buy or sell) with or in A Makers' Studio for twelve (12) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. The Company retains the right to approve or deny any request to re-enroll after a Maker's resignation.
- C. If re-enrollment is approved, the former Maker will be issued a new Maker ID number and will be required to submit a new Maker Agreement. The Maker will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

## 10.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding or engaging in unhealthy competition in trying to acquire a prospect or new Maker from another Maker or influencing another Maker to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the Company Compliance Department within the first 90 days of enrollment. If the reports are substantiated, A Makers' Studio may transfer the Maker or the Maker's downline to another sponsor, Placement or organization without approval from the current up-line Sponsor or Placement Makers. The Company remains the final authority in such cases.

## A Makers' Studio

- C. A Makers' Studio prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the Company compensation system and/or the marketing plan in order to trigger commissions or cause a promotion off a downline Maker in an unearned manner. One example of stacking occurs when a Sponsor places participants under an inactive downline without his or her knowledge in order to trigger unearned qualification for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and/or entities found to be directly involved.
- D. Should Makers engage in solicitation and/or enticement of members of another direct sales company to sell or distribute A Makers' Studio products and services to, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration, or mediation is brought against a Maker alleging that they engaged in inappropriate recruiting activity of another company's sales force or Customers, the Company will not pay any of the Maker's defense costs or legal fees, nor will the Company indemnify the Maker for any judgment, award, or settlement.

### 10.6 Sell, Assign or Delegate Ownership

- A. To preserve the integrity of the hierarchical structure, it is necessary for A Makers' Studio to place restrictions on the transfer, assignment, or sale of a business.
- B. A Maker may not sell or assign his or her rights or delegate his or her position as a Maker without *prior written approval* by A Makers' Studio, which approval will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such approval may be voided at the discretion of the Company.
- C. Should the sale be approved by the Company, the Buyer assumes the position of the Seller at the current qualified title, but at the current “paid as” rank, at the time of the sale and acquires the Seller's Downline.
- D. To request corporate authorization for a sale or transfer of a A Makers' Studio business, the following items must be submitted to the Company Compliance Department:
  - I. A Sale/Transfer of Business Form properly completed, with the requisite signatures.
  - II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
  - III. A Maker Agreement completed and signed by the Buyer;
  - IV. Payment of the \$100 administration fee;
  - V. Any additional supporting documentation requested by the Company.

## A Makers' Studio

- E. Any debt obligations that either Seller or Buyer may have with A Makers' Studio must be satisfied prior to the approval of the sale or transfer by the Company.
- F. A Maker who sells his or her business is not eligible to re-enroll as a Maker in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

### 10.7 Separating a Maker's Business

- A. Pending a divorce or dissolution of a partnership or other business entity, the parties must adopt one of the following methods of operation:
  - I. One of the parties may, with the written consent of the other(s), operate the A Makers' Studio business whereby the relinquishing Spouse, shareholders, partners, members or trustees authorize the Company to deal directly and solely with the other Spouse, non-relinquishing shareholder, partner, member or trustee;
  - II. The parties may continue to operate the A Makers' Studio business jointly on a "business as usual" basis, whereupon all compensation paid by the Company will be paid in the name designated as the Maker or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, A Makers' Studio will pay compensation to the name on record and in such event, the Maker named on the account shall indemnify A Makers' Studio from any claims from the other business owner(s) or the other Spouse with respect to such payment.
- B. A Makers' Studio recognizes only one Downline organization and will issue only one commission check per A Makers' Studio business per commission cycle. Under no circumstances will the Downline of an organization be divided, nor will A Makers' Studio split commission and/or bonus checks.
- C. If a relinquishing Spouse, partner or owner of the business has completely relinquished ("Relinquishing Party"), in writing, all rights to the original A Makers' Studio business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Maker or active Customer in the former organization, and must develop a new business in the same manner as any other new Maker. A Maker in the Relinquishing Party's former Downline who wishes to transfer to the Relinquishing Party's new organization or to any other organization, must comply with the requirements in Section 12.5.

### 10.8 Succession

## A Makers' Studio

- A. Upon the death or incapacity of a Maker, the Maker's business may be passed on to his or her legal successors in interest (successor). Whenever a A Makers' Studio business is transferred by will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Maker's sales organization. The successor must:
  - I. Complete and sign a new Maker Agreement;
  - II. Comply with the terms and provisions of the Maker Agreement; and
  - III. Meet all of the qualifications for the last rank achieved by the former Maker.
- B. Bonus and commission checks of a A Makers' Studio business transferred based on this section will be paid in a single check to the successor. The successor must provide the Company with an "address of record" to which all bonus and commission Payments will be sent. Payments will be based on the current performance of the business, not the highest rank or volume achieved.
- C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. A Makers' Studio will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.
- D. Appropriate legal documentation must be submitted to the Company Compliance Department to ensure the transfer is done properly. To affect a testamentary transfer of a A Makers' Studio business, the successor must provide the following to the Company Compliance Department:
  - I. A certified copy of the death certificate; and
  - II. A notarized copy of the will or other appropriate legal documentation establishing the successor's right to the A Makers' Studio business.
- E. To complete a transfer of the A Makers' Studio business because of incapacity, the successor must provide the following to the Company Compliance Department:
  - I. A notarized copy of an appointment as trustee;
  - II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the A Makers' Studio business; and
  - III. A completed Maker Agreement executed by the trustee.
- F. If the successor is already an existing Maker, the Company will allow such Maker to keep his or her own business plus the inherited business active for up to six (6) months.

## A Makers' Studio

By the end of the 6-month period, the Maker must have compressed (if applicable), sold or otherwise transferred either the existing business or the inherited business.

- G. If the successor wishes to terminate the A Makers' Studio business, he or she must submit a notarized statement stating the desire to do so, along with a certified copy of the death certificate, appointment as trustee, and/or any other appropriate legal documentation.
- H. Upon written request, A Makers' Studio may grant a one (1) month bereavement waiver and pay out at the last "paid as" rank.

### **10.9 Resignation/Voluntary Cancellation**

- A. A Maker may immediately terminate his or her business by submitting a written notice or email to the Company Compliance Department. The written notice must include the following:
  - I. The Maker's intent to resign;
  - II. Date of resignation;
  - III. A Makers' Studio Identification Number;
  - IV. Reason for resigning; and
  - V. Signature.
- B. A Maker may not use resignation or voluntary cancellation as a way to immediately change Sponsor and Placement. Instead, the Maker who has voluntarily resigned is not eligible to reapply for a business or have any financial interest in a or any A Makers' Studio business for six (6) months from the receipt of the written notice of resignation.
- C. Following any voluntary cancellation, a Maker:
  - I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Maker's former organization or any other payments in association with the Maker's former independent business;
  - II. Effectively waives any and all claims to property rights or any interest in or to the Maker's former downline organization;
  - III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancellation, less any amounts withheld during an investigation preceding an involuntary cancellation, and less any other amounts owed to the Company.

## A Makers' Studio

### 10.10 Involuntary Termination

- A. A Makers' Studio reserves the right to terminate a Maker's business for, but not limited to, the following reasons:
  - I. Violation of any terms or conditions of the Maker Agreement;
  - II. Violation of any provision in these Policies and Procedures;
  - III. Violation of any provision in the Compensation Plan;
  - IV. Violation of any applicable law, ordinance, or regulation regarding the A Makers' Studio business;
  - V. Engaging in unethical business practices or violating standards of fair dealing;  
or
  - VI. Returning over \$500 worth of products, services and/or sales tools for a refund within a twelve (12) month period.
- B. A Makers' Studio will notify the Maker in writing at his or her last known address of the intent to terminate the Maker's business and the reasons for termination. The Maker will then have seven (7) calendar days from the date of such notice to appeal the termination in writing. A Makers' Studio must receive the Maker's written appeal within seven (7) calendar days of the date of the termination letter. If the written appeal is not received within this time period, the termination will be considered final.
- C. If the Maker does file a timely appeal of termination, A Makers' Studio will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Maker of its decision. The decision of A Makers' Studio is then considered final and not subject to further review.
- D. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by A Makers' Studio. The former Maker shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any A Makers' Studio products or services. The Company will notify the active Upline Sponsor of the termination, and the organization of the terminated Maker will "roll up" to the active Upline Sponsor on record.
- E. The Maker who is involuntarily terminated by the Company may not reapply for a business, either under his or her present name or any other name or entity, without the

# A Makers' Studio

*express written consent of an officer of A Makers' Studio.* In any event, such Maker may not re-apply for a business for twelve (12) months from the date of termination.

## **11.0 DISCIPLINARY SANCTIONS**

### **11.1 Imposition of Disciplinary Action - Purpose**

It is the spirit of A Makers' Studio that integrity and fairness should pervade among its Makers, thereby providing everyone with an equal opportunity to build a successful business. Therefore, We reserve the right to impose disciplinary sanctions at any time, when We determine that a Maker has violated the Agreement, any of these Policies and Procedures, or the Compensation Plan as may be amended from time to time by the Company.

### **11.2 Consequences and Remedies of Breach**

- A. Disciplinary actions may include one or more of the following:
  - I. Monitoring a Maker's conduct over a specified period of time to assure compliance;
  - II. Issuance of a written warning or requiring the Maker to take immediate corrective action;
  - III. Imposition of a fine (which may be imposed immediately or withheld from future commission payments) or the withholding of commission payments ("Commission Hold") until the matter causing the Commission Hold is resolved or until the Company receives adequate additional assurances from the Maker to ensure future compliance;
  - IV. Suspension from participation in Company or Maker-related events, rewards, or recognition;
  - V. Suspension of the Maker Agreement and your business for one or more pay periods;
  - VI. Involuntary termination of the Maker Agreement and your business;
  - VII. Any other measure which We deem feasible and appropriate to justly resolve injuries caused by the Maker's violation or contractual breach; OR
  - VIII. Legal proceedings for monetary or equitable relief.

## **12.0 DISPUTE RESOLUTION**

### **12.1 Grievances**

## A Makers' Studio

- A. If a Maker has a grievance or complaint against another Maker regarding any practice or conduct relating to their respective A Makers' Studio businesses, he or she is encouraged to resolve the issue directly with the other party. If an agreement cannot be reached, it must be reported directly to the Company Compliance Department as outlined below.
- B. The Compliance Department will be the final authority on settling such grievance or complaint and its written decision shall be final and binding on the Makers involved.
- C. A Makers' Studio will confine its involvement to disputes regarding A Makers' Studio business matters only. We will not decide issues that involve personality conflicts or unprofessional conduct by or between Makers outside the context of Company business. These issues go beyond the scope of the Company and may not be used to justify a Sponsor, placement change or transfer.
- D. A Makers' Studio does not consider, enforce, or mediate third party agreements between Makers, nor does it provide names, funding, or advice for obtaining outside legal counsel.
- E. Process for Grievances:
  - I. A Maker should submit a written letter of complaint (e-mail will not be accepted) directly to the Company Compliance Department. The letter shall set forth the details of the incident as follows:
    - a. The nature of the violation and specific facts to support such allegations;
    - b. Dates and the number of occurrences;
    - c. Persons involved; and
    - d. Any other supporting documentation.
  - II. Upon receipt of the written complaint, A Makers' Studio will conduct a general investigation.
- F. A Makers' Studio will make a final decision and timely notify the Makers involved.

### 12.2 Arbitration

- A. **Any controversy or claim arising out of or relating to the Agreement and/or these Policies and Procedures (or the breach thereof), your business or any other dispute between the Company and you, shall be settled by binding and confidential arbitration administered by the American Arbitration Association under its commercial arbitration rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.** Any such arbitration shall be held in Memphis, Tennessee. There shall be one arbitrator, who shall

## A Makers' Studio

have expertise in business law transactions and who shall be knowledgeable in the direct selling industry, selected from a panel provided by the American Arbitration Association.

- B. The prevailing party in any such arbitration shall be entitled to receive from the losing party, all costs and expenses of arbitration, including reasonable attorney's fees and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to judgment in any court of competent jurisdiction.
- C. This agreement to arbitration shall survive any termination or expiration of the Agreement.
- D. Nothing in these Policies and Procedures shall prevent A Makers' Studio from applying for or obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect the Company's interests or its Confidential Information prior to, during or following the filing of an arbitration or other proceeding, or pending the rendition of a decision or award in connection with any arbitration or other proceeding.
- E. **NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.**
- F. These Policies and Procedures and any arbitration involving a Maker and the Company shall be governed by and construed in accordance with the laws of the state of Tennessee, without reference to its principles of conflict of laws.

### 12.3 Severability

If any provision of these Policies and Procedures is found to be invalid, or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision never had comprised a part of these Policies and Procedures.

### 12.4 Waiver

- A. Only an officer of A Makers' Studio can, in writing, affect a waiver of these Policies and Procedures. A Makers' Studio's waiver of any particular breach by a Maker shall not affect Our rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Maker.
- B. The existence of any claim or cause of action of a Maker against the Company shall not constitute a defense to Our enforcement of any term or provision found in these Policies and Procedures.

# A Makers' Studio

## **12.5 Successors and Claims**

The agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

## **13.0 GOVERNING LAW**

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of Tennessee and the exclusive jurisdiction of the United States courts.

## **14.0 GLOSSARY OF TERMS**

**ACTIVE MAKER:** A Maker who satisfies the minimum volume requirements as defined in the Compensation Plan to ensure eligibility for commissions and bonuses.

**AGREEMENT:** The contract between the Company and each Maker, which includes: the Maker Agreement, these Policies and Procedures, and the Company Compensation Plan, all in their current form and as amended by the Company in the future. These documents are collectively referred to as the "Agreement."

**CANCEL:** The termination of a Maker's business. Cancellation may be either voluntary or involuntarily.

**COMPENSATION PLAN:** The guidelines and referenced literature for describing how Makers can generate commissions and bonuses.

**CUSTOMER:** A Customer who purchases A Makers' Studio products and does not engage in the retailing of product or the building of a business.

**MAKER:** An individual who purchases product, generates retail sales and business building commissions.

**LINE OF SPONSORSHIP (LOS):** A report generated by A Makers' Studio that provides critical data relating to the identities of Makers, sales information, and enrollment activity of each Maker's organization. This report contains confidential and trade secret information which is proprietary to A Makers' Studio.

**ORGANIZATION:** The Customers and Makers placed below a particular Maker.

**OFFICIAL COMPANY MATERIALS:** Literature, audio or video tapes, and other materials developed, printed, published, and distributed by A Makers' Studio to its Makers.

**PLACEMENT:** Your position inside your Sponsor's organization.

## A Makers' Studio

**RECRUIT:** For purposes of A Makers' Studio's Conflict of Interest policy, the term "Recruit" means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Customer or Maker to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

**RESALABLE:** Products shall be deemed "resalable" if each of the following elements is satisfied: (i) the products remain unopened and unused; (ii) the original product packaging and labelling is unaltered and free from damage; (iii) the products are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current A Makers' Studio labelling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

**SPONSOR:** A Maker who enrolls a Customer or another Maker into the Company, and is listed as the Sponsor on the Maker Agreement. The act of enrolling others and training them to become Maker is referred to as "sponsoring."

**UPLINE:** This term refers to the Maker or Makers above a particular Maker in a sponsorship line up to the Company. It is the line of sponsors that links any particular Maker to the Company.