

**CRESCENDO  
MARKETING  
GROUP, INC.**

**POLICIES AND  
PROCEDURES**

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# **CRESCENDO MARKETING GROUP, INC.**

## **POLICIES AND PROCEDURES**

### **1. INTRODUCTION.**

From this point forward Crescendo Marketing Group, Inc. will be referred to as “Crescendo” and Crescendo independent Distributors will be referred to as “Distributors.”

These Policies and Procedures govern the way in which a Distributor conducts business with Crescendo. These Policies and Procedures along with the Distributor Application and Agreement and the Compensation Plan (collectively referred to herein as the “Agreement”), such as may now exist or hereafter be amended, constitutes the complete and binding agreement and understanding between a Crescendo independent Distributor and Crescendo. Failure to comply with the provisions of any of these documents may result in the termination of the Agreement.

Should any portion of the Agreement, or any instrument published by Crescendo be declared invalid in a court of jurisdiction, the balance of such rules, applications, or instrument shall remain in full force and effect.

Crescendo is a direct selling company that markets its products through Distributors. It is important to understand that your success and the success of your fellow Distributors depend on the integrity of the men and women who market Crescendo products and services. The Agreement (as defined below) is made to clearly define the relationship between you and us, between you and your Customers and between you and other Distributors. Crescendo or its subsidiaries is sometimes referred to as “the Company,” “we,” “us,” and “our,” and the Distributor agreeing to the terms and conditions of the Distributor Agreement is sometimes referred to as “you” and “your.”

These Policies and Procedures (sometimes herein referred to as the “Policies”), as currently stated and as amended from time to time, are incorporated into and form an integral part of the Distributor Agreement. When the term “Agreement” is used herein, it collectively refers to the Crescendo Distributor Agreement, these Policies and Procedures, and the Crescendo Compensation Plan. You have the responsibility to read, understand and adhere to the most current version of these Policies and Procedures. When sponsoring a new Distributor, you must ensure that he or

she is provided with the opportunity to (1) review and understand the terms and conditions of the Agreement and (2) read and understand the Policies and Procedures and the Compensation Plan prior to enrolling as a Distributor.

**Code of Ethics.** We are a value-based company and pride ourselves on the quality and character of our Distributors. The following Code of Ethics helps ensure a uniform standard of excellence throughout our organization. You agree to practice the following ethical behavior when operating your Distributorship. Each behavior part of the Code of Ethics is material to the Agreement.

- I will be honest and fair in my dealings as a Distributor of Crescendo.
- I will perform my business in a manner that will enhance my reputation and the positive reputation established by Crescendo.
- I will be courteous and respectful of every person I contact in the course of my Crescendo independent Distributor activities.
- I will fulfill my leadership responsibilities as a sponsor including training, supporting and communicating with the Distributors in my organization.
- I will not misrepresent Crescendo products or the Compensation Plan.
- I will correctly represent the Compensation Plan and the income potential represented therein. I understand I may not use my own income as an indication of others' potential success or use the compensation earnings as marketing materials.
- I will not sponsor or attempt to sponsor any Crescendo Distributor directly or indirectly into any other network marketing program or engage in deceptive or illegal practices.
- I will remember that even my personal experience and the benefits received from Crescendo products, services or programs, may be interpreted as unauthorized 'extension of labeling claims'.
- I understand and agree that I am solely responsible for all financial and/or legal obligations I incur in the course of my business as a Distributor and will discharge all debts and duties as required of a distributor.
- I will actively work to establish and maintain a Customer base.

- I will not engage in activities that may bring disrepute to Crescendo, any Crescendo corporate officer or employee, me or other Distributors.
- I will not make disparaging or discouraging claims towards other Crescendo Distributors. I will ensure that in all Crescendo business dealings I will refrain from engaging in negative language and defamatory statements.
- I will not make misleading comparisons of another company's direct selling opportunity, products and services.
- I understand that all promotional literature, advertisements and mailings may not contain descriptions or other information that is false, deceptive or misleading. All literature must also contain the Company name and website as well as my contact information.

## 2. INDEPENDENT DISTRIBUTOR.

**Independent Contractor Status.** The Distributor will not be treated as an employee for federal or state tax purposes.

All Distributors are independent contractors engaged in their own separate business pursuits. Distributors are not to be considered purchasers of a franchise, nor does the Agreement between Crescendo and its Distributors create an employer/employee relationship, agency, partnership, or joint venture. Distributors are strictly prohibited from stating or implying, whether orally or in writing that their relationship is any other than as outlined above. Each Distributor shall hold Crescendo harmless from any claims, damages or liabilities arising out of the Distributor's business practices. Distributors have no authority to bind Crescendo to any obligation. Each Distributor is encouraged to set up his/her own hours and to determine his/her own methods of sales, as long as he/she complies with the terms of the Agreement.

**Business Conduct.** Distributors will perform all of their business activities in a professional and ethical manner, which will enhance the distributor's reputation and the positive reputation of Crescendo. Distributors will not engage in any conduct that would negatively reflect on Crescendo or any other distributor's image. Distributors will be courteous and respectful of every person contacted including employees and executives of the corporate office of Crescendo, and will conduct their Distributor status in a way as to respect the products and professionalism of Crescendo and its other

distributors. A Distributor will under no circumstance disparage or infringe upon the Crescendo name or reputation in connection with the marketing of Crescendo products or misappropriate any confidential or proprietary information or trade secrets (including Distributor name and address lists) for use by the Distributor or others.

**Product Liability.** Crescendo supplier(s) maintain insurance to protect Crescendo and its Distributors against product liability claims. The supplier's insurance contains a "Vendor Endorsement" which extends coverage to Distributors provided that they are marketing Crescendo products in accordance with the company Policies and Procedures, product label(s), product literature as well as applicable laws and regulations.

**No Protection for Improper Use.** An example of liability for improper use is a violation of the health claims restrictions or usage recommendations. Crescendo supplier(s) insurance covers only those uses and purposes specifically set forth on the container or in Crescendo literature. A Distributor who attempts to change or modify the label or packaging, who misrepresents the product(s) or who makes claims other than those set forth in Crescendo literature is depriving himself/herself of the protection afforded by the Vendor Endorsement.

**No Purchase Required.** No Distributor is required to purchase any Crescendo products, services or programs.

**Distributor Enrollment.** Crescendo provides to its Distributors a personalized marketing website that includes a web hosting service. Crescendo also provides to Distributors a backoffice that enables the Distributor to manage his/her business, view online tools, review the calculation and payment of commissions, and access previous records of Distributor purchases.

When the Distributor elects to enroll with the Global Software System (GSS) at a cost of forty-nine U.S. dollars and ninety-five cents (US\$49.95) the Distributor will have unlimited access to his/her backoffice for one year. This amount includes a non-refundable set-up fee of thirty U.S. dollars (US\$30.00). The remaining amount of nineteen U.S. dollars and ninety five cents (US\$19.95) will be prorated over one year.

**Distributor Rights.** All Distributor are authorized to sell Crescendo products and to participate in the Crescendo Compensation Plan. All Crescendo Distributors may sponsor new Distributors.

**Legal Age.** Distributors must be of legal age in their country or state of residence to operate a Crescendo entity.

**Married Couples.** Each participant or legal entity is limited to one distributorship. Spouses may each have their own distributorship with Crescendo. Spouses must be in the same line of sponsorship and a spouse may not be associated directly or indirectly with Distributor positions in other downline organizations. The action of one spouse will be attributed to both spouses.

**Corporations, Partnerships and Trusts.** In any Distributor position involving the efforts of more than one individual, whether as a corporation, partnership or trust, the actions of one participant shall reflect on the distributorship as a whole. If one member is found to have violated the terms and conditions of the Policies and Procedures of Crescendo then the distributorship as a whole will be considered to be in violation.

**Fictitious and/or Assumed Names.** A person or entity may not apply for a distributorship using a fictitious or assumed name or use the identity of another person or entities that will not be associated with the distributorship. No one may enter a Social Security Number or Tax Identification Number that was not assigned to the primary individual or entity on the distributorship.

**Tax Identification Number.** All U.S. Distributors are required by federal law to obtain a Social Security Number or Federal Identification Number and have it on file with Crescendo. Crescendo will use this number for all government reporting purposes.

**Taxation.** Distributors will be treated as independent contractors for all federal and/or state tax purposes. As independent contractors, Distributors will not be treated as employees, franchisees, joint ventures, partners, or agents with respect to the Internal Revenue Code, Social Security Act, Federal Unemployment Act, State Unemployment Act, or any other federal, state or local statute, ordinance, rule or regulation.

**Legal Compliance.** All Distributors shall comply with all federal and state statutes and regulations and local ordinances and regulations concerning the operation of his/her business. All Distributors are responsible for their own managerial decisions and expenditures, including all estimated income and self-employment taxes. At the end of each calendar year, Crescendo will issue an IRS Form 1099 Misc. for non-employee compensation for Distributors as required (at the time of this printing the law requires 1099's only for annual income earned above six hundred U.S. dollars (US\$600.00) within a calendar

year). Since Distributors are not Crescendo employees, Crescendo is not responsible for payment or co-payment of any employee benefits.

**Distributor Personal Identification Number.** Crescendo will issue a Distributor Personal Identification Number (PIN) at the time of enrollment. The Distributor PIN must be indicated on all correspondence with Crescendo, including paperwork for sponsoring, ordering products, requesting assistance, etc.

**No Exclusive Territories.** There are no exclusive territories for recruiting purposes, nor shall any Distributor imply or state that he/she has any exclusive territory rights. There are no geographic limitations on Distributor sponsoring except in those foreign countries that have not officially been opened by Crescendo.

**International Marketing.** Crescendo owns the worldwide distribution rights to the Crescendo products and opportunity. We may elect to open certain countries from time to time and will grant Distributors limited rights to sponsor in those countries. Distributors shall not sponsor outside of our Opened Countries. To preserve our rights, Distributors may never secure or attempt to secure approval for Crescendo products or business practices, or internet domain names, or establish any kind of business or governmental contract on behalf of the Company.

Crescendo operates under one of two (2) models in those countries in which we have chosen to conduct business:

**On the Ground (OTG).** This is a fully operational business model. Products are properly labeled and legalized for resale in the country. Marketing material specific to the country is available for Distributors residing in that country.

**Not For Resale (NFR).** This is a business model of limited activity. Residents of an approved NFR market may enroll to purchase product for personal consumption/use only. They may not sell, distribute or gift the product in any way to persons outside their household. They purchase product from our U.S. or designated office and may receive bonuses in U.S. currency where allowable by law. They may furthermore sponsor and enroll other residents of an Opened Country, including both NFR and OTG countries.

To sponsor outside of your home country of enrollment, your Distributorship must be in good standing; you must request, read, and comply with the Policies and Procedures and such other guides as we may have available for the Opened Country.

Distributor compliance with this section protects Crescendo, and our collective ability to conduct business in selected countries. Violation of these policies may result in governmental regulatory action which may include severe fines, confiscation of property, closure of business operations, or even imprisonment.

Therefore, Distributors may not engage in blind prospecting without prior written approval. Many countries have strict privacy laws that forbid blind solicitations. Also, many local laws forbid advertising for leads.

Distributor shall not distribute Crescendo sales tools which have not been approved for the country in which it is intended. Promotional statements from one country's literature may not be appropriate or legal in another.

**Other Services and Products.** Distributors are not restricted from selling the services and products of other companies during the term of the Distributor Agreement. However direct or indirect promotion of those products and services to Crescendo Distributors is limited to those personally sponsored. A Distributor found in violation of this rule risks the loss of buying privileges, possible suspension and/or termination of the Agreement and from participating in the Crescendo Compensation Plan, in addition to other remedies to which Crescendo may be entitled.

**Crossline Recruiting.** Recruiting others directly or indirectly whether through written, spoken or implied means from one (1) Crescendo Distributor organization to another is strictly prohibited.

**Representation of Government Endorsements.** Federal and state regulatory agencies rarely approve or endorse direct selling programs or products. The FDA does not approve cosmetic or health related products, other than certifying that the products incorporate safe ingredients. Therefore, Distributors may not represent directly or indirectly that the Crescendo marketing program or products have been approved/reviewed/endorsed or otherwise backed by any governmental agency.

**Medical Treatment, Approval and Therapy.** Distributors understand that they will not say directly or indirectly that any Crescendo product is FDA approved, or discuss or suggest that any diagnosis, evaluation, prognosis, description, treatment, therapy, or management or remedy of illness, ailment or disease can be improved by consumption or application of the product. Distributors understand that Crescendo products are not offered,

intended or considered as medicinal treatment of any disorder or disease, either mental or physical.

### **3. SPONSORSHIP, TRAINING, AND TERMINATION.**

**Sponsoring.** Distributors are entitled to sponsor other Distributors in the United States, its territories and other countries as officially opened by Crescendo into the Crescendo program. However, Distributors are compensated only for the generation of sales of products, not for sponsoring new Distributors into the program.

**Sale or Transfer of Distributorship.** A distributorship may be sold or transferred to a non-Distributor only following a period of six (6) months of the origination date. A completed and notarized Sales/Transfer form is to be submitted to the Support Department. When such transfer/sales is approved and accepted any volume previously accumulated will be removed.

The Company discourages the sale of distributorships and the transfer of partial interest in distributorships, and prohibits the practice of partnerships as a subterfuge for transferring interest in distributorships. If a Distributor wishes to sell, transfer, or assign (hereinafter in this section “sell” if used as a verb and “sale” if used as a noun) his or her whole or partial interests in a Crescendo distributorship the following criteria must be met:

- The distributorship being sold must be an active distributorship for a minimum of six (6) months immediately prior to the time the request for sale is made;
- The acquiring Distributor may not currently have a Beneficial Interest in a distributorship or have had a Beneficial Interest in a distributorship within the preceding six (6) months;
- The selling Distributor may not reapply to become a Distributor for a period of not less than six (6) months;
- The Company has the right to amend this rule at its sole discretion.

**Multiple Applications.** If one applicant submits multiple Applications and Agreement forms listing multiple sponsors, only the first completed form to be received by Crescendo will be accepted. Crescendo reserves the right, at its sole discretion, to make the final decision with respect to all such disputes.

**Placement Changes or Corrections.** Placement changes or corrections may be requested within a period of three (3) days from the date of enrollment. Such adjustments require written permission directed to the Support Department submitted from the personal backoffice of the sponsor as well as the Distributor to be moved and in some cases the upline distributor.

**Sponsor Correction.** Sponsor changes are not permitted. However, sponsor corrections can be made if they are reported to the Support Department within a period of three (3) business days. Sponsor corrections must be requested from the Distributor backoffice of the current (original) sponsor, stating the reason that the correction needs to be made.

**Acquisition of Business.** A Distributor desiring to acquire another Distributor's business must first terminate his/her Distributor status and wait a period of six (6) months from the date of the resignation notice, before becoming eligible for such a purchase. All such transactions must be fully disclosed through the completion of a Sales/Transfer form submitted to Crescendo Support Department and is subject to approval by the Company.

**Addition of Co-Applicants.** When adding a co-applicant (either an individual or a business entity) to an existing distributorship, Crescendo requires a fully executed Co-Applicant Form to be submitted. The original applicant must remain a party to the original Application and Agreement. If the original Distributor wants to terminate his/her Distributor relationship with Crescendo, he/she must do so in accordance to Crescendo policy. If this is not followed, the business shall be terminated upon withdrawal of the original distributor. All bonus and commission checks will be sent to the address on record on the distributorship. A co-applicant may not under any circumstance be party to any other distributorship. Note that the modification permitted within the scope of this paragraph does not include change in sponsorship.

**Personal Information.** Information such as the Distributor's backoffice password, or any personally identifiable information including but not limited to the Distributor's address or telephone number, will be treated as confidential and will not be shared with any other person(s) outside of Crescendo, unless required by law. In the event of an emergency the inquiring party may contact Crescendo Support Department who will advise the Distributor that someone is attempting to contact him/her.

**Training Requirement.** Distributors are required to assure the adequate training of Distributors they sponsor. "Adequate training" shall include, but is not limited to, education regarding the Policies and Procedures, Compensation Plan, product information, sound business practices, sales

strategies, and ethical business behavior. A sponsor must maintain an ongoing, professional leadership association with Distributors in his/her organization and must fulfill the obligation of performing a bona fide supervisory, sales or distributive function on the sale or delivery of product and services to the ultimate consumer.

**Resignation.** Any Distributor may voluntarily resign his/her Distributor status by either declining to renew when required or by sending written notice to the Crescendo Support Department. Resignation is in effect upon receipt of such notice. A Distributor who resigns his/her distributorship may not reapply either individually or have financial interests in any other Distributor entity for a period of six (6) months from the date of resignation.

**Suspension.** Crescendo reserves the right to suspend any Distributor at any time for cause when it is determined that the Distributor has violated the provisions of the Agreement as they might be amended or the provisions of the applicable laws and standards for fair dealing. Crescendo shall make such involuntary suspension at its discretion. Crescendo will notify the Distributor either by either postal delivery or email sent to the latest address listed with Crescendo for the Distributor. In the event of a suspension a Distributor agrees to immediately cease representing himself/herself as a Distributor for Crescendo.

During the investigation period of the suspension any commissions, overrides or bonuses, which may be due, will be held in abeyance by Crescendo pending resolution. Should the infraction be deemed unsubstantiated or the appeal evaluated and accepted by Crescendo, the suspension shall be lifted and any commissions, overrides or bonuses will be credited to the distributorship. During the applicable suspension period, Crescendo products and services may be purchased by the suspended Distributor at Distributor cost. However, the suspended Distributor does not have the right to represent himself/herself as a Distributor, promote his/her Distributor business or the products during the applicable suspension period. In any instance where applicable law is inconsistent with, or requires additional or other action than set forth in the foregoing, such procedure shall automatically be amended to conform to compliance for the residents of that particular state.

In the event that a Distributor is suspended for wrongdoing for a determined period of time he or she will not be entitled to earn commissions or overrides for the period of the suspension.

**Termination.** A Distributor may be terminated for violating any of the terms of the Agreement. Notice of the termination, citing the reason(s) for the action, shall be provided in writing to the Distributor and delivered through

either postal delivery or email. Termination shall be effective as set forth therein, if a timely appeal is not provided by the Distributor in accordance with the appeal procedure set forth below.

In the event that Crescendo deems it necessary to terminate an individual's Distributor position, the termination would render the terms of the Agreement between Crescendo and that individual null and void.

**Appeal.** A suspended or terminated Distributor may appeal the action by submitting a letter to the Compliance Department of Crescendo stating the grounds of appeal. (Note: No telephone calls will be accepted under any circumstances.) Crescendo must receive the letter of appeal within ten (10) business days of the date of such notice. If Crescendo has not received the letter of appeal by the deadline date, the involuntary suspension or termination shall automatically become final.

If a Distributor files a timely appeal, Crescendo will, at its sole discretion, review and notify the Distributor of its decision. The decision of Crescendo shall be final and will not be subject to further review.

If the appeal is denied based upon the documentation and evidence presented against the Distributor, the suspension or termination shall remain in effect as of the date of Crescendo's original notice.

**Succession.** Notwithstanding any other provisions of this section, upon the death of a Distributor, the Distributor entity shall pass to his/her successor in interest as provided by law. However, Crescendo will not recognize such transfers until the successor in interest has submitted a completed Sales/Transfer form to Crescendo Support Department together with certified copies of the death certificate and will, trust or other instrument and executed sale & transfer form. The successor shall thereafter be entitled to all the rights and subject to all the obligations as any other distributor. In addition, the successor-in-interest must be of legal age in his/her country of residence.

**Divorce or Dissolution.** During the pendency of divorce or entity dissolution, both parties must adopt one of the following methods of operation:

- One of the parties may, with written consent of the other(s), operate the Crescendo business whereby the relinquishing spouse, shareholders, members, partners or trustee authorize Crescendo to deal directly and solely with the other spouse or non-relinquishing shareholder, partner, or trustee.

- The parties may continue to operate the Crescendo business jointly on a business-as-usual basis, whereby all compensation paid by Crescendo will be paid in the joint names of the Distributors or on the names of the entity to be divided as the parties may independently agree between themselves.

Under no circumstance will Crescendo split commissions and bonus checks between divorcing spouses or members of dissolving entities. Crescendo will recognize only one (1) downline organization and will issue only one (1) commission check per Crescendo business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties of a divorce or dissolution proceedings are unable to resolve a dispute over the disposition of commissions and ownership of the business, the Agreement shall be involuntarily cancelled.

If a former spouse or former entity affiliate has completely relinquished all rights to his/her original Crescendo business he/she is therefore free to enroll under any sponsor of his/her choosing, so long as he/she meets the waiting period set forth by Crescendo. In such case, however, the former spouse or party shall have no rights to any Distributor in his/her organization or any former distributor.

**Changes in Form of Business Entity.** A Distributor that is a Business Entity and desires to change to another type of Business Entity may do so as long as the equity ownership in the Business Entity does not change. All Equity holders of the former Legal Entity must confirm with a notarized or other form of authentication signature that they agree to the change. Also a new Distributor Agreement must be submitted by the new Business Entity. Members of the former Business Entity are jointly and severally liable for any indebtedness or other obligations to Crescendo.

**Confidentiality Agreement.** Distributors may gain access to confidential information through the Crescendo website. Specifically, without limiting the foregoing, the information contained in any genealogical or downline report provided or accessible to a Distributor by Crescendo is proprietary and confidential belonging to and owned by Crescendo, and is transmitted or available to the Distributor in strict confidence. The Distributor agrees that he/she will not disclose any such confidential or proprietary information to any third party directly or indirectly, or use the information to compete with Crescendo. This information is to be used only for the promotion of the Crescendo program. The Distributor and Crescendo agree that without this agreement of confidentiality and non-disclosure, Crescendo would not provide the information or make it accessible to the Distributor. Any Distributor who

is found, or reported to be in violation of this rule, may not only risk the loss of buying privileges, but possible suspension from participating in the Compensation Plan, termination of the Agreement and Crescendo may seek injunctive relief and/or remedy for damages to the fullest extent that the law allows. It is agreed that this provision shall survive the termination or expiration of this Agreement.

**Product Testimonials.** Any Distributor is encouraged to share his/her excitement as the result of product consumption and use. Crescendo reserves the right to use statements and photographs voluntarily submitted to its Support Department from Distributors and customers in its promotional material without any financial or other compensation. Upon signing the Agreement, each Distributor agrees to release his/her testimony by Crescendo.

**Non-Solicitation.** During the term hereof and for a period of twelve (12) months after the termination or expiration of the relationship between a Distributor and Crescendo, for any reason whatsoever, the Distributor shall not on his/her own behalf or any other person, partnership, association, corporation or other entity, hire or solicit any employee, other distributor, customer, manufacturer, or supplier of Crescendo or any of its affiliates, or in any manner attempt to influence or induce any employee, other distributor, customer, manufacturer or supplier of Crescendo or any of its affiliates, to alter their employment or business relationship with Crescendo or its affiliates nor shall any Distributor use or disclose to any person any information of Crescendo obtained while the Agreement was in effect concerning names and addresses of Crescendo or any of its affiliates, employees or distributors. It is agreed that this provision shall survive the termination or expiration of the Agreement.

**Targeting Other Direct Sellers.** Distributors agree to refrain from systematically targeting members of another Network marketing business to be a Crescendo Distributor. If any lawsuit, arbitration, or mediation is brought against any Distributor alleging that he or she engaged in such prohibited activity, he or she shall indemnify Crescendo against all claims, actions, suits, and demands arising from or related to the systematic targeting.

**Non-Competition.** Each Distributor agrees not to compete with the protectable business interests of Crescendo by selling or promoting other product or opportunities (except as detailed under Other Services and Products) during the term of the Distributor Agreement. The Distributor acknowledges and recognizes these restrictions are necessary for Crescendo

to protect its valuable interests and agrees that any injunction and/or other remedy is necessary and appropriate for Crescendo to protect such interests.

**Vendor Confidentiality.** Crescendo business relationship with its vendors, manufacturers and suppliers are confidential. A Distributor shall not contact, directly or indirectly, speak to, or communicate with any representative or any supplier, manufacturer, or vendor except at a Crescendo sponsored event at which the representative is present at the request of Crescendo.

#### 4. TRADEMARK, LITERATURE, AND ADVERTISING.

**Trademark.** The name of Crescendo, and the name of all the Crescendo products, services and programs are the trademark of and owned by Crescendo. Only Crescendo is authorized to produce and market products and literature under these trademarks. This includes but is not limited to slides, overheads, brochures, videos, domain addresses, email addresses, and other training and/or marketing materials and all promotional materials such as but not limited to t-shirts, caps, pins, magnetic signs, etc. Use of the Crescendo name on any item not produced or authorized by Crescendo is prohibited, except in the manner described below:

- Mary Jones, Crescendo Independent Distributor
- Crescendo Independent Contractor

**Note:** No other variation may be used to describe the distributor's association with Crescendo.

**Yellow and White Page Listings.** Distributors are not permitted to use the Crescendo trade name in advertising their telephone and fax numbers in the white or yellow page section of the telephone book or on the Internet telephone directory without identifying themselves as independent Distributors or independent contractors.

**Toll-Free Telephone Number Listings.** Crescendo Distributors are not permitted to list their toll-free telephone numbers under the Crescendo trade name without first submitting a request to the Support Department for approval. If approval is obtained for a toll-free listing, it must be stated in the following manner:

- John Jones, Crescendo Independent Distributor
- John Jones, Independent Contractor

**Note:** No other variation may be used to describe the distributor's association with Crescendo.

**Imprinted Checks.** Crescendo Distributors are not permitted to use the Crescendo trade name or any of its trademarks on their business or personal checking accounts.

**Imprinted Business Cards or Letterheads.** Crescendo Distributors are not permitted to create their own business cards or letterhead graphics of the Crescendo name and/or trademark. Only approved Crescendo versions and wording are permitted.

**Company Literature.** Only official Crescendo literature may be used in presenting Crescendo products and/or the Crescendo Compensation Plan. Company literature may not be duplicated or reprinted without prior written permission from Crescendo which may be obtained through email communication, mail or fax directed to the Compliance Department. Banners, trade show materials, and other related promotional material must be approved in advance and in writing by Crescendo. Items on Crescendo's corporate website and the replicating Distributor website may be downloaded for promotional purposes.

**Advertising.** Only Company-approved materials may be used in the placement of any advertising in any print, radio, television, Internet, electronic or other media. No person shall use the Crescendo name, logos, trademarks or copyrighted material in any advertising nor produced by Crescendo or without express written permission from the Compliance Department of Crescendo. For approval, mail, fax or email a copy of the proposed advertising material to the Support Department or the Compliance Department. Include a description of the placement (publication, month, year, etc.). Crescendo will email, mail or fax denials, required edits, or approvals with an approval code. Approval codes must be visible on the lower right hand side of any approved material. Once approval is obtained, no text may be amended or changed. If any change is made whatsoever, the new material must be submitted for approval. Allow approximately forty-eight (48) hours from receipt for processing.

**Opportunity Claims.** The terms that a Distributor uses when discussing the Crescendo program are critical. Improper use of terms or the use of improper terms can create a situation that is in violation of regulatory standards when in fact the proper discussion of the programs reflects the full and complete compliance with all standards. It is the responsibility of all Distributors to fully understand these differences to avoid suspension or termination for false representation or operation of their distributorship.

**Business Opportunity Specific Claims.** The word “fee” should never be used to describe Crescendo products – regardless of how they are obtained. The only “fee” is for the fully replicable website and business management backoffice. There is no fee for products, but rather a purchase price set to reflect the true wholesale and retail value of the product.

**Internet and Website Policy.** A Crescendo Distributor may promote his/her Distributor business through Crescendo’s replicating website only. The website links seamlessly to the official Crescendo website giving the Distributor a professional and Crescendo-approved presence on the Internet. No Distributor may independently design a website that uses the names, logos, or products descriptions of Crescendo or otherwise promote (directly or indirectly) Crescendo products or the Compensation Program. Distributors may not advertise or promote their Distributor business or Crescendo’s business, product or marketing plan or use Crescendo’s name in any electronic media or transmission, including on the Internet via website or otherwise without the prior written approval of the Compliance Department of Crescendo, which approval may be withheld in its sole discretion. If written approval is given, Distributors must abide by the guidelines set forth by Crescendo, including but not limited to the following:

- a) Distributors shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor distributors;
- b) Distributors operating on-line websites, whether or not they collect personal information from individual consumers, shall disclose to the consumer in a prominent place on the website how the consumer information will be used;
- c) Distributors sharing personal information collected online shall provide individual consumers with an opportunity to prohibit the dissemination of such information, and if any consumer requests that his or her personal information not be shared, Distributors shall refrain from sharing such information;
- d) Distributors shall provide individual consumers the option to terminate any further communication between the Distributor and the consumer and if any consumer requests that a Distributor cease communication, the Distributor shall immediately stop communicating upon such request;
- e) Distributors must abide by all laws and regulations regarding electronic communications;
- f) Distributors may not distribute content by use of the distribution lists or to any person who has not given specific

permission to be included in such process; spamming or distribution of chain letters or junk mail is not allowed;

- g) Distributors may not distribute content that is unlawful, harassing, libelous, slanderous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable material or which could give rise to civil liability or otherwise violate any applicable local, state, national or international law or regulation and
- h) Distributor may not directly or indirectly, send bulk unsolicited emails to persons with whom he or she has not had had prior or existing personal or business relationship.

The following statements must be included in each distributor's website:

“Statements made in this publication have not been evaluated by the U.S. Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease.”

“As with any weight management or supplementation program, consult your healthcare provider before beginning any regimen, particularly if you have any existing health concerns. Always read and follow label directions.”

“The earnings and weight loss results mentioned in this publication may not be representative of your results. Your results as a Crescendo Distributor depend on your individual effort and enterprise.”

“Product, company and marketing information and photos are copyrighted by Crescendo and used with permission.”

**Domain Names.** Distributors may not use or attempt to register any Crescendo trade names, trademarks, service marks, product names, the Company name or any derivative thereof, for any Internet domain name.

**Blogs, Chat Rooms, Social Networks, and other Online Forums.** Distributors who wish to employ the use of blogs, chat rooms, and social networks to promote their Crescendo Distributor business may do so under certain conditions only. Distributors may post their Crescendo official website or replicating website for visitors to go to. No other product or service may be promoted or discussed in conjunction with, nor may any comparisons be made concerning other products, their ingredients, effectiveness, etc. in connection

with Crescendo. Distributors may not make claims of any nature whatsoever concerning Crescendo products or Distributor business. Only statements made in official Company Material may be used to promote products or the Distributor opportunity. Distributors may list local Distributor meetings and any corporate events to which visitors would be welcome.

**Electronic Advertising.** Distributors may not sell, market or promote the Company's business, marketing plan, products or services on eBay, Facebook, MySpace, Craig's List or any other business Internet site except as detailed under the preceding paragraph. Distributors shall not make offers or solicitations in the guise of research, surveys or informal communication, when the real intent is to sell products or services or sponsor Distributors. If personal information is collected on-line, the Distributor must provide individual consumers with an opportunity to prohibit the dissemination of such information, and if any consumer requests that his or her personal information not be shared, Distributors shall refrain from sharing such information. Distributors shall provide individual consumers the option to terminate any further communication between them and the consumer, and if any consumer requests that he or she wishes to cease communication, the Distributor shall immediately stop communicating upon such request. It is important that all Distributors abide by all laws and regulations regarding electronic communications.

**Other Sales Media.** Crescendo products may not be sold or promoted through catalogs or other mass sales mediums such as magazines, infomercials, television, radio, or other related sales media, unless approved by the Company.

**E-Mail and Newsgroup Marketing.** Distributors emailing or employing other services to email unsolicited and unapproved email flyers are fully responsible for all information regarding the product and marketing program which is not expressly contained in advertising and promotional material supplied directly by Crescendo. "Spamming" as well as telephoning or faxing without consent in compliance with various laws is strictly prohibited. Other than what is provided by the Company, Crescendo must approve, in writing, any and all information representing Crescendo and/or its products. Distributors shall not defame, abuse, harass, stalk, threaten or otherwise violate the legal rights (such as the rights of privacy and publicity) of others. Distributors shall not publish, post, upload, distribute, or communicate any inappropriate, profane, defamatory, infringing, obscene, indecent or unlawful topic, name, material or information. Distributors shall not advertise or offer to sell any goods or services for any commercial purpose or conduct or forward surveys, contests, pyramid schemes or chain letters. Users of the

Crescendo website will not participate in any activity that will restrict or inhibit any other user from using and enjoying the website.

**Auction Sales.** Distributors may not sell Crescendo products via live, silent, Internet or any other type of auctions even if offered at the Distributor suggested retail price.

**Trade Shows.** With written authorization from Crescendo, Distributors may display Company products and opportunity at trade shows. Request for participation in trade shows must be received in writing by Crescendo at least two (2) weeks prior to the show. Written authorization from Crescendo must be received before participating in such events. Company products and opportunity are the only products and opportunity that may be offered in the trade show booth. Only Company approved marketing materials may be displayed or distributed.

**Generic Business Advertisements.** Distributors may not imply that a job, position, salary, or any type of employment is being offered in order to generate business. No advertisement may promote, represent, or imply salaried positions, management positions, hourly wages, full or part time employment, or guaranteed incomes. The Crescendo opportunity is not employment, and may not be presented as such. Terms such as “manager trainee,” “management position available,” “travel provided,” “call for interview,” “position available,” “now hiring,” and other misleading statements are not allowed. No specific income may be promised or implied and any reference to compensation must use the word “bonuses” to indicate the independent contractor status of Distributors.

**Income Claims.** Distributors may not display, in any manner for recruiting purposes or any other reason, their own or anyone else’s commission checks or make specific income claims or representations.

**Media Interviews.** Distributors are prohibited from granting radio, television, newspaper, tabloid or magazine interviews or using public appearances, public engagements, or making any type of statement to the public media to publicize Crescendo, its products or their individual Crescendo business without express, prior written approval from Crescendo which can reasonably be withheld. All media contacts and inquiries must be coordinated through Crescendo and must contain a complete description of the interview format and venue.

**Endorsements.** No endorsements by any Crescendo officers or administrators or third parties may be alleged, except as expressly communicated in Crescendo literature and communications.

**Independent Communications.** Distributors as independent contractors are encouraged to distribute information and direction to their respective downline organizations. Crescendo encourages the prudent distribution of newsletters, training manuals and workshops, and other organizations programs. However, Distributors must identify and distinguish between personal communication and the official communication of Crescendo and must comply with these policies.

**Distributor Training.** Distributors are responsible for participation in the training of the Distributors they sponsor. Training assistance is provided in Crescendo literature and in additional training tools as well as on the Internet. Further, Distributors may attend local and regional training workshops for distributors.

**Distributor Services.** Crescendo provides every Distributor who generates any income as a Crescendo Distributor with management and training communications, timely delivery of products and sales materials, and access on the Internet to reports of sales made by their sales organization for the calendar period in which commissions and overrides are earned and paid.

**Re-Packaging Prohibited.** The repackaging of Crescendo products for resale is strictly prohibited under any circumstance.

**Promotional Items.** Distributors and Distributor groups may desire to create promotional items such as t-shirts, hats, bags, cups, etc. to show unity and to promote their Distributor business. Prior to the creation of such items, a request must be submitted to the Company for approval of any material that incorporates and uses any trademarks and copyrights owned by Crescendo. No promotional item as described above or any others may be created for sale and only a limited quantity will be permitted. Crescendo reserves the right to deny any request for the creation and use of such items.

**Recordings.** Distributors shall not produce or reproduce Crescendo produced audio or video taped materials detailing the Crescendo opportunity or products. Distributors shall not audiotape any Crescendo function.

**Telephone Answering.** Distributors may not answer the telephone or create recordings saying “Crescendo” or in any manner that could lead the caller to believe that he or she has reached the Corporate Offices of Crescendo.

**Limitation of Product Warranties.** Distributors may make no claim, representation or warranty concerning any product or service of the

Company, except those expressly approved in writing by the Company or contained in official Crescendo materials. Except as expressly stated herein, the company makes no warranty or representation, express or implied, as to the merchantability or fitness for a particular purpose, workmanship or any other warranty arising by law, statute, use of trade or course of dealing concerning any product or service purchased from or through the Company. To the maximum extent permitted by applicable law, all such products and services are provided 'as is', 'with all faults' and 'as available'.

**Liability.** Violation of any of the Policies & Procedures may be grounds for suspension and/or termination of that individual's distributorship. The violator also may be subject to civil or criminal liability resulting from violation of the Distributor Agreement, the Code of Professional Ethics, the Policies and Procedures of Crescendo, or state or federal law. Additionally, Crescendo may withhold payment to any Crescendo Distributor in an effort to offset any damages suffered by Crescendo as a result of a distributor's violation of the Distributor Agreement, the Code of Professional Ethics, the Policies and Procedures of Crescendo, or state or federal law.

## 5. PAYMENT OF BONUSES AND OVERRIDES.

**Distributor Application and Agreement.** Bonuses and overrides cannot be paid until a completed Distributor Application and Agreement has been received and accepted by Crescendo through the Internet. Bonuses are paid ONLY on the sale of Crescendo products. No bonuses are paid on the purchase of any sales materials, sales aids or for the recruitment of distributors.

**Commission Payments.** The minimum amount of payment of commissions is twenty-five U.S. dollars (US\$25.00) or as mandated in any foreign country. If the earned amount is less than that amount, it will be accumulated until such time that the amount exceeds twenty-five U.S. dollars (US\$25.00).

## 6. PURCHASE AND SALE OF PRODUCTS.

**No Purchase Required to Become a Crescendo Distributor.** No product purchase is required to become a Crescendo distributor. Crescendo Distributors are entitled to purchase products from Crescendo at a discounted price.

**Stockpiling Prohibited.** The success of Crescendo depends upon retail sales to the ultimate consumer; therefore, all forms of stockpiling are discouraged. Crescendo recognizes that Distributors may wish to purchase

certain products in reasonable quantities for their own use, for inventory purposes and for the purpose of provisioning new Distributors as they are sponsored. However, Crescendo strictly prohibits the purchase of products solely in an attempt to qualify for advancement in the Compensation Plan.

**Inactive Distributor Positions.** Any Distributor position that has not been activated within a period of 14 (fourteen) days from the enrollment date with paid product order(s) and/or backoffice service will be considered voluntarily resigned and will not be eligible for reinstatement at a later date. In addition, inactive positions, showing no orders with BV and no backoffice service will be terminated by Crescendo after 90 (ninety) days from the inactive date.

**Back Orders.** Should any product or sales material be unavailable for any period of time, Crescendo Distributors will be given the option of placing the order and waiting for availability or canceling the order with full reimbursement without penalties until those items are ready for shipping.

**Seventy Percent Rule.** In order to qualify for commissions and overrides, the Distributor certifies with the purchase of product that he/she has sold to retail customers and/or has consumed seventy percent (70%) of all products previously purchased. This is known in the industry as the “Seventy Percent Rule.”

**Note:** Distributors placing telephone or mail orders are equally required to comply with this rule and will be asked by the order processor or required to confirm by signature to verify compliance.

**Retail Sales Required.** In order to qualify for any compensation payable under the Crescendo Compensation Plan, a Distributor must certify by completion of the Retail Sales Rule Compliance Form that he/she has made at least one (1) retail sale to five (5) different retail customers in the calendar month in which commissions or bonuses are earned. The compliance form must be received by Crescendo no later than the fifth (5th) day following each calendar period in the event that Crescendo takes measures to confirm that the requisite retail sales have occurred.

**Shipping Address.** Crescendo will only accept street addresses for UPS shipping purposes. Orders that are shipped via UPS can be tracked and, if necessary replaced in a timely manner.

**Direct Purchase.** Crescendo Distributors may purchase product needs directly from Crescendo. In the event that a Distributor obtains product from his/her sponsor or upline distributor’s personal inventory, and a replacement

product is not placed through Crescendo, the commissions associated with the purchase will be attributed to the sponsor or upline.

**Note:** Crescendo Distributors in good standing may personally place orders through the Crescendo website purchased at Distributor cost using their own PIN (personal identification number).

**Credit Card Purchases.** Credit card purchases may only be made by the individual whose name and address are on the credit card. Any Distributor who uses another individual's credit card to pay for purchases risks having his/her distributorship placed on suspension pending investigation and resolution of any complaints regarding unauthorized charges. Crescendo considers such transactions fraudulent and will report them to the proper authorities for settlement.

Under no circumstance will any Distributor charge back any credit card purchases. Any Distributor who does so will immediately lose all credit card ordering privileges until the charges are replaced with certified funds. If an erroneous charge is applied to a distributor's credit card, the Distributor should immediately contact the Support Department of Crescendo to initiate an investigation and resolution.

**Commission Adjustments.** Any upline Distributor affected by returned products to Crescendo will accordingly be subject to adjustments in his/or her commissions, overrides and bonus accounts, personal volume, etc. based upon all commissions and bonuses paid on the returned product.

**Bonus Buying.** Bonus buying includes (1) the enrollment of an individual or entity as a Crescendo Distributor without the knowledge of and/or execution of a Distributor Agreement by such individual or entity, (2) the fraudulent enrollment of an individual or entity as a distributor; (3) the enrollment or attempted enrollment of non-existent individuals or entities as Distributors (phantoms), or (4) the use of a credit card on behalf of a Distributor when the Distributor is not the account holder of such a credit card. Bonus buying constitutes a material breach of these Policies and Procedures, and is strictly prohibited.

**Payment Options.** Purchases may be paid by credit card only.

**Shipping Costs.** It is the ordering distributor's sole responsibility to indicate (a) method and means of shipping, and (b) destination address. The methods available are stated on each order form and on the Crescendo website along with prepaid costs. Shipping costs will be automatically calculated.

The method of shipping packages will be determined by Crescendo based upon various factors such as weight and destination unless there are specific shipping instructions made by the distributor.

**Note:** Should the receiving party of an order shipped from Crescendo refuse delivery and the shipment is then returned to Crescendo, the ordering distributor's status will be made 'inactive' pending resolution of the delivery refusal. Return delivery charges will be deducted from the distributor's account.

**Returned Packages.** In the event that a package is returned due to a distributor's error or if the package was not picked up in a timely manner and therefore returned, Crescendo will charge the Distributor a re-shipping fee.

**Timely Product and Material Delivery.** Upon clearance of payment, Crescendo processes for shipment the product(s) and material(s) selected. If an item is temporarily unavailable due to high demand the consignee will be notified by way of the packing slip included with the shipment. Should a back order occur, the item(s) will be shipped as soon as available, usually within ten (10) days of the date the original order and payment were received.

**Special Orders.** Crescendo will not 'hold' orders or delay shipments of products that have been processed. Once payment has been received, all orders must be released for shipping.

**Damaged Goods.** The shipping company is responsible for damage, which occurs after it takes physical custody of the goods. A Distributor who receives damaged goods should follow this procedure:

1. Accept delivery.
2. Before the driver leaves, document on the delivery receipt the number of boxes, which appear to be damaged.
3. Save the damaged product and box(es) for inspection by the shipping agent.
4. Make an appointment with the shipping company to have the damaged goods inspected.
5. File a claim with the shipping company.
6. Notify the customer service department of Crescendo.

**Short Shipments.** Crescendo takes pride in fulfilling orders in an accurate and timely manner. However, in those rare instances where errors may occur, a correction will be handled quickly to avoid further delay to the recipient. Distributors are provided with a period of five (5) business days following receipt of shipment to report any shortages. Once notified and verified, Crescendo will ship missing items to the address on the original order.

**Price Changes.** All Crescendo products and literature prices are subject to change without prior notice.

**Suggested Retail Pricing.** Crescendo provides a suggested retail price as a guideline. Crescendo independent Distributors may sell Crescendo products at whatever price they and their customers agree upon, however, a Distributor is not permitted to advertise any price below Crescendo suggested retail price. This includes but is not limited to 'free' products or any other special pricing that would fall below the SRP. No Crescendo product may be offered along with the products of any other company.

**Receipts Showing Retail Pricing.** Crescendo Distributors will provide all retail customers of Crescendo products with printed sales receipts. Distributors who order through the Internet for their customers will receive an email confirmation of acceptance in addition to the packing slip, which will be inside the package.

**Sales Tax.** For purchases made from Crescendo, Crescendo collects and remits applicable state and local taxes, which may be due on the suggested retail price of those products and/or materials, which are subject to tax. The applicable rate of tax due is based upon the address to which the product and/or sales material is to be delivered.

If Distributors submit to Crescendo a current Sales Tax Exemption Certificate (STEC) from his or her residing state, the Company will not charge or collect sales tax on orders shipped to that state unless prohibited by law. Distributors will be responsible for tracking and reporting all sales and sales taxes due for retail sales. Sales tax on orders placed before Crescendo receives the STEC will not be reimbursed. If Distributors provide a STEC, they agree to indemnify and hold Crescendo harmless from any liability that Crescendo incurs as a result of the Distributor's failure to collect or remit sales taxes. If a Crescendo Distributor business is tax exempt, the Federal tax identification number must be provided to Crescendo.

**Retail Stores.** Crescendo is a direct sales company. Our success is based upon our Distributors selling directly (one-on-one) to the consumer, in a

personal and caring manner. In order to maintain this personal contact with our customers and to provide equal opportunity to all Distributors to sell Crescendo products to consumers, Crescendo places certain restrictions on the sales of its products to or through commercial establishments.

Distribution of products is not permitted through chain stores. Crescendo determines chain stores to be any retail establishment with more than five (5) separate locations.

Crescendo products offered in retail establishments must be sold at the Distributor SRP (Suggested Retail Price).

Crescendo will be the sole judge of whether a commercial enterprise violates the policies, spirit or intent of its guidelines and reserves the right to modify, amend or rescind its approval as current business conditions may dictate.

**Consignment.** In order to protect the Crescendo business and the integrity of the Company, Crescendo products may not be delivered to another party on consignment. Only authorized Crescendo Distributors may sell Crescendo products to an outside party.

Crescendo will not ship products on consignment to any Crescendo distributor.

## **7. RETAIL GUARANTEE AND REFUND POLICY.**

**Retail Customer Returns.** Crescendo offers a 30 (thirty) day 100% (one hundred percent) unconditional money back guarantee on products to all retail customers, less shipping charges for online sales. Every Crescendo Distributor is bound by his/her Agreement and the Policies and Procedures to honor this guarantee. Prior to the completion of any retail sale a Distributor must make a verbal disclosure of the right to cancel. If a retail customer is dissatisfied with any Crescendo product for any reason, then the retail customer may return the unused portion of the product to the Distributor from whom it was originally purchased within 30 (thirty) days for either a replacement, exchange for another product or a full refund of the purchase price of the product.

**Crescendo will replace returned products to the Distributor provided that the following steps and conditions are met:**

- The Crescendo Support Department is notified of a pending retail customer return.

- The Distributor through who it was originally purchased returns the product to Crescendo as instructed by the Support Department.
- The product is received by Crescendo within fifteen (15) days from the return date to the distributor.
- The return is accompanied by the following:
- A signed statement from the retail customer identifying the reason for the return and including:<sup>1</sup>
  - a dated copy of the original retail sales receipt
  - the product has received from the retail customer
  - the name, address and telephone number of the retail customer

Proper shipping carton(s) and packing material are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. Crescendo will pay the cost of shipping replacement product(s) to the distributor.

Crescendo will not refund, to any distributor, the purchase price of any retail customer returns, and no replacement products will be released if the conditions of the rule are not met.

**Return Product Authorization.** Before any product may be returned to Crescendo, whether it is a shipping error, retail customer return, damaged products or resignation, the Distributor must contact the Crescendo Support Department either by fax, postal delivery or email to obtain a Return Merchandise Authorization Number (RMA). Any package received without such identification clearly visible on the package exterior will be refused.

**Quality Control (QC).** Crescendo will replace, within thirty (30) days of purchase any product found to be defective. However, no product(s) should be returned to Crescendo prior to the approval to do so from the Support Department whether through telephone, fax or email request. In order to assure that replacement product will be issued, strict compliance to the following procedure is required:

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<sup>1</sup> Retail sales return requests must be clearly written with complete details (name, address, telephone number, email, if available, and any other information which would allow Crescendo to verify the sale and subsequent return.) Unverifiable retail sales cannot be replaced. Falsified information could lead to further investigation and possible suspension of distributorship.

1. A written replacement request must be submitted, stating the reason for the request and accompanied by verification of payment and a copy of the Product Order form and packing slip.
2. Upon notification Crescendo will instruct the Distributor where to ship product and will issue an RMA (Return Authorization Number), which must be clearly written on the exterior of the returned package. Upon receipt and verification Crescendo will ship out replacement product(s).

**Resignation Returns.** If the Distributor has purchased products for inventory purposes or sales aids while the Agreement was in effect, all product in a CURRENTLY MARKETABLE, REUSABLE AND RESALABLE condition which have been purchased within twelve (12) months<sup>2</sup> shall be repurchased subject to compliance with the Seventy Percent Rule (see section VI. Purchase and Sale of Products). The repurchase shall be at a price of not less than 90% (ninety percent) of the original net cost to the participant minus any freight charges and commissions paid to the distributor.

Note: Can only offset commissions earned as a result of the product return. Any such requests will be considered a resignation of the distributorship.

In the event that inventory is returned that does not meet the above conditions for return, such merchandise will be held for a period of thirty (30) days during which time the Distributor has the right to request return of those items. Distributors will pay for all shipping charges. Should this request not be received by the Support Department of Crescendo in the time period noted above, Crescendo reserves the right to destroy such inventory without further compensation to that distributor. In order to ensure that a refund is issued in a timely manner, the following steps should be followed:

1. A written request must be submitted, either by fax or email to Crescendo Support Department, clearly citing the reason for the resignation and for the return of product and/or sales materials.
2. Upon receipt of the proper information, Crescendo will instruct the Distributor where to ship the products along with an RMA (Return Merchandise Authorization), which must be clearly visible on the exterior of the package. (Any return without this information visible on the outside of the package will be refused without exception). Crescendo will issue the refund within approximately thirty (30) days from the date of receipt of the authorized merchandise.

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<sup>2</sup> The permissible return period will vary according to country and state laws.

3. The Distributor assumes the cost of shipping any merchandise to Crescendo.
4. The Distributor assumes responsibility for packing and shipping products back in a manner that will ensure that it is received in a timely manner and with minimal damage.
5. Refunds will be issued in the same manner that payment was received. This means that if a credit card was used initially, the reimbursement will be issued back to that same credit card.

**Unauthorized Returns.** Should a Distributor refuse delivery of any Crescendo shipment or request to return any previously purchased product for a refund, such request will be deemed as a voluntary resignation.

**Buyer's Right to Cancel.** Federal law empowers a buyer to cancel certain sales without penalty prior to midnight of the third (3rd) business day following the transaction. This rule covers retail consumer sales of twenty-five U.S. dollars (US\$25.00) or more that occurs away from the retailer's main office. In addition, the Distributor must orally inform the buyer of the three (3) day right to cancel at the time the buyer signs the contract of sales or purchase of goods.

**Exchanges.** Crescendo will not accept product exchanges from distributors.

**Distributor Responsibility.** If a retail customer mails or delivers to a Distributor a valid notice of cancellation prior to midnight on the third (3rd) business day after ordering or purchasing product, it must be honored by the distributor. If a buyer has taken delivery of any goods, that product must be returned, along with the notice, in as good a condition as when delivered. Within ten (10) business days after receiving the notice, the Distributor must refund all payment made under the contract of sale.

Should a retail customer contact Crescendo Support concerning the refusal of a Distributor to issue the appropriate refund in the time period indicated, such Distributor will be subject to suspension of distributorship pending resolution of the complaint.

## 8. GENERAL PROVISIONS.

**Record Keeping.** Crescendo encourages all of its Distributors to maintain complete and accurate records of their business transactions. Crescendo may exercise its option to request records relating to retail sales or other matters as described herein or as required by applicable law.

**Amendments.** In order to maintain a viable Marketing Program in changing economic conditions and/or to comply with changes to federal, state or local laws, Crescendo at its discretion reserves the right to amend the Policies and Procedures as set forth therein, its Distributor prices or suggested retail prices, product availability and formulations, and Compensation Plan, as it deems appropriate without prior notice. Such Policies and Procedures and Compensation Plan modifications and all changes thereto, shall become a binding part of the Agreement upon publication on the official Crescendo website. It is the distributor's responsibility to stay abreast of current and updated information and Crescendo is in no way liable for any distributor's ignorance of the correct and current information if he or she fails to do so. In the event of any conflict between the Agreement and any such amendment, the amendment shall control. If Company brochures, product catalogs, price lists, literature, website, fax on demand information, etc. are revised; only the most current version is authorized for use by Crescendo distributors.

**Non-Waiver Provisions.** No failure of Crescendo to exercise any power under these Policies and Procedures or to insist on strict compliance by a Distributor with any obligation or provision herein, and no custom or practice of the parties at variance with these Policies and Procedures, shall constitute a waiver of Crescendo right to demand exact compliance with these Policies and Procedures. Waiver by Crescendo can be affected only in writing by an authorized officer of Crescendo.

Crescendo's waiver of any particular default by a Distributor shall not affect or impair Crescendo's right with respect to any subsequent default, nor shall it affect in any way the right or obligation of any other distributor, nor shall any delay or omission by Crescendo to exercise any right arising from default affect or impair Crescendo right as to that or any subsequent default.

**Cancellation Policies for Residents of Certain States.** The following only applies to Distributors who are residents of Georgia, Louisiana, Massachusetts, Wyoming, Montana, and other states that may specifically require the following: A Distributor in this multilevel marketing plan has the right to cancel at any time regardless of reason. Cancellation must be submitted in writing to Crescendo either by postal delivery, fax or through email.

If the Distributor has purchased product or paid for administrative services while this Agreement was in effect, taking into consideration any sales made by or through such Distributor prior to the notification to Crescendo of the election to cancel, Crescendo shall repurchase all unencumbered product in a reasonable resalable or reusable condition which was acquired by the Distributor from Crescendo. Such repurchase shall be at a price of no less than ninety percent (90%) of the original cost minus any freight charges and commissions paid to that Distributor

The repayment of all administrative fees and services shall be at not less than ninety percent (90%) of the cost to the Distributor of such fees and services and shall reflect all administrative services that have not, at the time of resignation, been provided to the distributor. Crescendo shall further refund not less than ninety percent (90%) of the cost to the Distributor of any other consideration paid by the Distributor in order to participate in the program. The Distributor will be held responsible for all shipping expense incurred in returning sales aids or products to Crescendo.

**Reporting Policy Violations.** Distributors observing a policy violation by another Distributor should submit a written report of the violation to the Compliance Department of Crescendo either through fax, mail or email. Such documents must bear the writer's signature and distributor's Personal Identification Number (PIN). Anonymous complaints will not be accepted. Note: No telephone calls will be accepted with such matters as documentation must be presented in writing, both from the complaining parties and ultimately from the individual(s) cited for policy violation. Details of the incident such as dates, number of occurrences, persons involved, witnesses and any other supporting documentation should be included in the report.

**Arbitration.** All disputes and claims relating to Crescendo, the Agreement, or its products, the rights and obligations of a Distributor of Crescendo, or any claims or causes of actions relating to the performance of either a Distributor or Crescendo under the Agreement, and/or a distributor's purchase of products shall be settled totally and finally by arbitration in Collin County, Texas or such other location as Crescendo prescribes, in accordance with the Federal Arbitration Act, and the Commercial Arbitration Rules of the American Arbitration Association. There shall be one (1) arbitrator, an attorney at law, who shall have expertise in business law transactions with preference being an attorney knowledgeable in the direct selling industry, selected from a panel, which the American Arbitration Association approves. Each party to the arbitration shall be responsible for its own costs and expenses or arbitration, including legal and filing fees. If a Distributor files a claim or counterclaim against Crescendo, a Distributor

shall do so on an individual basis and not with any other Distributors or as part of a class action. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement for arbitration shall survive any termination or expiration of the Agreement.

Notwithstanding the foregoing, the arbitration shall have no jurisdiction over disputes relating to the ownership, validity or registration or any mark of other intellectual property or proprietary confidential information of Crescendo without Crescendo's written consent. Crescendo may seek any applicable remedy in any applicable forum with respect to these disputes and with respect to money owing to Crescendo. In addition to monetary damages, Crescendo may obtain injunctive relief against a Distributor in violation of the Agreement, and for any violation of misuses of Crescendo trademark, copyright or confidential information policies.

Nothing in these Policies and Procedures shall prevent us from terminating the Distributor Agreement or applying to and obtaining from any court having jurisdiction a writ attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect our interest prior to, during or following the filing of any arbitration or other proceedings or pending the rendition of a decision or award in connection with any arbitration or other legal proceedings.

The existence of any claim or cause of action of a Distributor against Crescendo, whether predicated on the Agreement or otherwise, shall not constitute a defense to Crescendo enforcement of the covenants and agreements contained in the Agreement.

**Process and Power.** The arbitration shall be conducted in accordance with these Policies and the Rules. The arbitration and all proceedings associated therein are private proceedings and not subject to any public right of access. The arbitrator shall have the authority to enter appropriate protective orders to preserve the confidentiality of the proceedings and information exchanged in discovery. The arbitrator shall have the authority, power, and jurisdiction to grant both legal and equitable relief, including temporary, preliminary, and permanent injunctive relief. The arbitrator shall also have authority to determine whether any particular issue is subject to arbitration under the Agreement. The decision of the arbitrator shall be final and binding on the parties and may, if need be, be reduced to a judgment in any court of competent jurisdiction. At the request of any party, the arbitrator shall make and provide the parties written findings of fact and conclusion or law. This agreement to arbitration shall survive any termination or expiration of the Agreement.

**Costs.** The parties shall equally share the assessed costs associated with the arbitration, including all arbitrator fees, providing however, that the prevailing party in any appeal to the Appeals Panel shall be entitled to recover its share of the costs of such appeal from the non-prevailing party. The parties shall each bear their own attorney fees in connection with the arbitration and any appeal, irrespective of which party prevails and any demand or request for such fees.

Notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use of registration of any Proprietary Mark or other intellectual property or Confidential Information of the Company without the Company's prior written consent. The Company may seek any applicable remedy on any applicable forum with respect to these disputes.

Nothing contained herein shall be deemed to give the arbitrator any authority, power or right to alter, change, amend, modify, add to, or to subtract from any of the provisions of the Policies and Procedures, Compensation Plan or the Distributor Agreement.

**No Liability.** The Company is not responsible for interrupted, inaccessible or unavailable networks, servers, satellites, Internet service providers, web sites, or other connections; or for miscommunications, failed, jumbled, scrambled, delayed, or misdirected computer, telephone or cable transmissions; or for any technician malfunctions, failures or difficulties. To the extent permitted by law, the Company shall not be liable for and each Distributor releases the Company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by a Distributor as a result of (a) the breach by a Distributor of the Distributor Agreement and/or the Terms and Conditions of the Policies and Procedures; (b) the operation of the Distributor's business; (c) any incorrect or wrong data or information provided by the Distributor; or (d) the failure to provide any information or data necessary for the Company to operate its business, including, without limitation, the enrollment and acceptance of a Distributor into the Compensation Plan or the payment of commissions and bonuses.

**Entire Agreement.** This Agreement (comprised of these Policies and Procedures, the Distributor Application and Agreement and the Compensation Plan) as may exist or hereafter be amended, constitutes the entire agreement of the parties regarding their relationship, the subject matter hereof and related hereto.

**Severability.** If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies and Procedures, or any specification, standard or operating procedure which Crescendo has prescribed is held to be invalid or unenforceable, Crescendo shall have the right to modify the invalid or unenforceable provision, specification, standard operating procedure or any portion thereof to the extent required to be valid and enforceable. A Distributor shall be bound by any such modification. The modification will be effective in the jurisdiction on which it is required.

**Limitation of Damages.** To the extent allowed by law, Crescendo and its affiliates, officers, directors, employees and other Distributors shall not be liable for and each Distributor hereby releases the foregoing from, and waives any claim for loss of profit, incidental, special, consequential or exemplary damages, which may arise out of any claim whatsoever relating to Crescendo's performance, non-performance, act or omission with respect to the business relationship or other matter between the Distributor and Crescendo whether in contract, tort or strict liability. Furthermore, it is agreed that any damage to the Distributor shall not exceed and is hereby expressly limited to, the amount of unsold Crescendo product owned by the Distributor, which was directly purchased thereby from Crescendo and any commissions or bonuses due.

**Indemnity Agreement.** Each and every Distributor agrees to indemnify and hold harmless Crescendo, its shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorney's fees, asserted against or suffered or incurred by any of them, directly or indirectly, arising out of or in any way related to or connected with allegedly or otherwise, the distributor's (a) activities as a distributor; (b) breach of the terms of the Distributor Agreement or these Policies and Procedures; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation.

**Force Majeure.** Crescendo shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strokes, labor difficulties, fire, war, government decrees or orders or curtailment of a party's usual source of supply.

**Governing Law.** The Distributor Agreement and these Policies and Procedures shall be governed by the laws of the state of Texas.

The State of Texas is the place of origin of the Agreement and venue where the Company accepted the offer of an applicant to become a Distributor. The

Agreement is governed by and to be construed in accordance with the laws of the State of Texas without reference to the conflict of laws principles thereof; and the arbitration provisions herein are governed by the Commercial Arbitration Rules of the American Arbitration Association (the “Rules”), except as such requirements may be specifically varied and modified by the terms set for herein. You submit to the arbitral jurisdiction set forth therein and, with respect to any matters not determined by or subject to arbitration to the personal jurisdiction of the state and deferral courts within Collin County, Texas.