



Compensation Plan

Version 8.2
June 1, 2010

Introduction

This document is comprised of the MyTVClassifieds.com, MyTVPhoneBook.com and MyTVBids.com (MTVC) commission system for Member Representatives. All compensation in the MTVC compensation plan is directly tied to your success in enrolling new advertisers that use the MTVC online system. As a new Member Representative it is important to communicate with your sponsor and upline leadership in building your MTVC business. Like with any business, your success will greatly depend on the amount of effort you are willing to devote to reaching your personal goals and it will depend on the people you choose to work with.

Multiple Sources of Income

1. Retail Profits
2. Cycle Bonus (Binary Income)
3. Check Match Bonus
4. Retail Sales Bonus Pool
5. 3x7 Power Matrix
6. 3x7 Power Matrix Matching Bonus
7. Fast Start Bonus (applicable during certain promotions)

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Definitions

The following definitions will be used in this design:

I. Terminology

- 1) Bonus Period:
The period between the beginning and end of a pay cycle. Different components of the compensation plan have different Bonus Periods.
- 2) Business Center:
A position or “Business Center” in the Binary Genealogy.
- 3) Carryover:
This is the BV that has been carried over from the previous Commission Period.
- 4) Current + Carryover:
This is the BV that has been accumulated in the current Commission Period (Current), plus any BV that was not commissionable and not flushed and thus carried over from the previous commission period (Carryover).
- 5) Customer:
An individual or entity that purchases MTVC products and Services, but who is not a Rep. A Customer is associated with a Rep. However, a Customer cannot sign up other Reps and cannot receive commissions. A Customer is not placed in any Genealogy and is considered to be on the same level as the Rep (i.e., Customer is on Level 0 to a Rep).
- 6) Downline:
This refers to the Rep or Reps below a Rep in the Genealogy.
- 7) Genealogy:
This is the Company’s overall structure that indicates how and where Reps are placed. Company supports a primary Binary Genealogy, a secondary Straight Line Matrix and a tertiary 3X9 Matrix.
- 8) Qualification Period:
Company also defines the Bonus Qualification Period which can be different than the payout period. This period defines the period in which the Reps need to qualify in order to earn commissions for the respective Bonus Period

- 9) Independent Representative (“Rep” or “IR”):
A person that has submitted a Rep application and agreement who has not been canceled for any reason. Company also refers to this as “Member”.
- 10) Sponsor:
A Sponsor is a Rep who enrolls a new IR.
- 11) Strong Team Leg:
This is the Leg with the most total amount of PV-C between a Rep’s Left and Right Team Legs.
- 12) Upline/Placement:
This refers to the Rep or Reps above a new or existing Rep in the Genealogy. The system also shows the “Placement Relationship” based on the placement position between the two (2) Reps in the Genealogy.
- 13) Weak Team Leg:
This is the Leg with the least total amount of PV-C between a Rep’s Left and Right Team Legs.

II. Volumes

- 1) Volume:
Volume is a monetary amount assigned by the company to each product and is independent of a product's cost.
- 2) Personal Commissionable Volume (PV-C) (Volume Column):
PV-C is the amount of Commissionable Volume generated by a Rep from their personal purchases. PV-C also includes the Commissionable Volume from the purchases made by a Rep’s personally sponsored Customers.
- 3) Personal Qualification Volume (PV-Q) (Volume Column):
PV-Q is the amount of Qualification Volume generated by a Rep from personal purchases. PV-Q also includes the Volume from the purchases made by a Rep’s personally sponsored Customers. This volume type is used only for qualification purposes.
- 4) Customer Commissionable Volume (CustPV) (Volume Column):
CustPV is the amount of Commissionable Volume generated by a Rep’s customers when they make purchases. CustPVC does **NOT** include the Rep’s personal purchases.
- 5) Left Team Volume (LV):
LV represents a Rep’s downline PV-C for the “left leg” or Left Team.

- 6) Right Team Volume (RV):
RV represents a Rep's downline PV-C for the "right leg" or Right Team.
- 7) Bonus Volume or Bonus Value or Binary Volume (BV):
BV refers to the commissionable left or right team volume amounts used in Binary Commission.
- 8) Straight Line Volume (SLV-Q):
SLV-Q refers to the sum of all PV-Q in a Rep's downline in the Straight Line Matrix genealogy.

III. Grace Periods

- 1) Grace Period:
There will be a 12-week grace period in which Reps are able to remain at their current Rank and be paid at their current Rank regardless if they qualify for the rank or not.

Example #1:

Rep #101 qualifies for the rank of Executive Director in the current Bonus Period. In the following 3 Bonus Periods, Rep #101 only qualifies for the rank of Senior Director. Since there is a 12 week Grace Period, Rep #101 would be able to still be paid at the Executive Director rank even though she did not qualify for the higher rank. If, after the 12th Bonus Period, she still does not qualify for the Senior Director rank, in Bonus Period 13, her Paid As Rank would be the rank for which she actually qualifies.

IV. Qualifications

- 1) Active:
To be Active in the commission period, a Rep or Customer must:
 - A) Must have at least 25 PV-Q
- 2) Binary Qualified:
To be Binary Qualified in the commission period, a Rep must complete the following requirements:
 - A) Must be Active
 - B) Must have at least 1 personally sponsored Active Rep on the Left Leg and 1 personally sponsored Active Rep on the Right Leg

Ranks

Reps will be promoted by Rank based on specific qualifications.

Rank is recalculated each monthly bonus period and saved as “**Bonus Rank**” or “**Paid as Rank**.” This is the Rank used to determine qualifications for commissions.

Company supports the following Ranks or “Titles” for Reps:

Rank	Abbreviation	RankTypeID
Independent Representative	IR	1
Director	DIR	5
Senior Director	SDIR	10
Executive Director	EDIR	15
Presidential Director	PDIR	20

Rank Qualifications

There are no restrictions on how fast a Rep can move through the ranks. Bonus Ranks will be recalculated each time the bonus process is executed.

Company will have four (4) dates to enter during each bonus run.

- Qualification Start Date: Determines the **start** of the Qualification Period
- Qualification End Date: Determines the **end** of the Qualification Period
- Period Start Date: Determines the **start** of the Bonus Period
- Period End Date: Determines the **end** of the Bonus Period

1) Independent Representative:

All Reps start at this Rank when they join the Company. No qualifications are required to earn this Rank.

2) Director:

To reach the Rank of Director, a Rep must have accomplished the following in the Qualification Period:

- A) Must have at least 1,500 BV in the Weak Leg
- B) Must have at least 4 personally sponsored Active Reps
- C) Must have at least 5 personally sponsored Customers

To maintain the Rank of Director, a Rep must have:

- A) Must have been a Director in the past 12 weeks

3) Senior Director:

To reach the Rank of Senior Director, a Rep must have accomplished the following in the Qualification Period:

- A) Must have at least 5,000 BV in the Weak Leg
- B) Must have at least 8 personally sponsored Active Reps
- C) Must have at least 10 personally sponsored Customers

To maintain the Rank of Senior Director, a Rep must have:

- A) Must have been a Senior Director in the past 12 weeks

4) Executive Director:

To reach the Rank of Executive Director, a Rep must have accomplished the following in the Qualification Period:

- A) Must have at least 22,000 BV in the Weak Leg
- B) Must have at least 12 personally sponsored Active Reps
- C) Must have at least 15 personally sponsored Customers

To maintain the Rank of Executive Director, a Rep must:

- A) Must have been an Executive Director in the past 12 weeks

5) Presidential Director:

To become the Rank of Presidential Director, a Rep must have accomplished the following in the Qualification Period:

- A) Must have at least 44,000 BV in the Weak Leg
- B) Must have at least 25 personally sponsored Active Reps
- C) Must have at least 20 personally sponsored Customers

To maintain the Rank of Presidential Director, a Rep must have:

- A) Must have been a Presidential Director in the past 12 weeks

Bonus Types

1) Retail Profit Bonus (Weekly)

Only Active Reps or higher can earn this bonus. No other qualifications are required. A Rep must personally enroll Customers that purchase product at Retail pricing within the Bonus Period.

A Rep earns retail profit on sales to personally enrolled Customers. Retail Profit Bonus is controlled at the product level within Inventory.

To explain the Retail Sales Bonus payout:

Example #2: Rep #101 has 2 personally enrolled customers #1001 and #1002. Product #A001 has a retail profit of \$10. #1001, #1002 each of them buys #A001 in the commission month. Rep #101 will earn \$20 in Retail Profit.

Extra Considerations for the Retail Sales Bonus:

- Compression is not used in this bonus
- Recapturing of commissions is enabled for this bonus

2) Cycle Bonus (Weekly)

To earn on the Cycle Bonus, a Rep must meet the following requirements in the qualification period:

- Must be Binary Qualified

The Cycle Bonus is paid on commission cycles. To achieve a commission cycle, a minimum of 100 BV is required on the Left Leg and a minimum of 100 BV is required on the Right Leg during the commission period. This BV is calculated by totaling the BV accumulated in the current commission period and the BV carried forward from the previous periods.

Any leftover BV is carried over to the next period. The commission payouts are as follows:

Cycle	Left Leg	Right Leg	Commission
1	100	100	Up to \$37.50

Table 1: Cycle Commission payouts

The above example can be depicted in a table as follows:

Left	Right	Cycle
450	230	
-100	-100	1
350	130	
-100	-100	2
250	30	
----- 2 Cycles Complete -----		
250	30	Carryover to next cycle

Table 2: Cycling example

To explain the Cycle Bonus payout:

Example #3: Rep #101 is a Senior Director. He has 450 BV (current + carryover) on his Left Leg and 230 BV (current + carryover) on his Right Leg. We will be taking out 200 BV from the Left Leg and 200 BV from the Right Leg and will have 2 cycles completed. Since each cycle generates \$37.50, this Rep earns $2 * \$37.50 = \75 as Cycle Commission. The remaining 250 BV on the Left Leg and the 30 BV on the Right Leg are considered “not commissionable” during the current commission period and will be carried over to the next commission period.

Cycle Cap Rule:

The number of times a BC can cycle in a commission week is capped at **\$10,000**. Any BV left over after the cycle cap is reached will carry over to the next commission period. There is no max carryover.

Bonus Cap / week	Max # of Cycles
\$10,000	266

Table 3: Cycle Cap

Example #4: Rep #101 is a Presidential Director. He has 60,200 BV (current + carryover) on his weak leg and 65,200 BV (current + carryover) on his strong leg. He would have made 301 cycles. The cycle cap is 266 and/or \$10,000/week, therefore he will cycle 266 times and will earn $266 * \$37.50 = \$9,975$. The left over volumes of 7,000 BV on the weak leg and 12,000 BV on his strong leg are considered “not commissionable” during the current commission period and will be carried over to the next commission period.

3) Check Match Bonus (Weekly)

To earn on the Check Match Bonus, a Rep must meet the following requirements in the qualification period:

- Must be Binary Qualified
- Must have at least 200 BV in the Weak Leg

The Check Match Bonus pays out 33% matching bonus to the Rep on the earnings from the Cycle Bonus of their Personally Sponsored Reps.

To explain the Check Match Bonus payout:

Example #5: The current commission week is 9/20 - 9/26. Rep #1021 earns a Cycle Bonus of \$75. Rep# 102, who is personally sponsored by Rep #101, is Active and had 2 cycles in the period. Rep #101 will earn \$24.75 (33% of \$75) on Rep #102 for the Check Match Bonus.

4) **Retail Sales Bonus Pool (Quarterly)**

To earn on the Retail Sales Bonus Pool, a Rep must meet the following requirements in the qualification period:

- Must be Active
- Must have at least 250 CustPV

The Retail Sales Bonus Pool pays out 2% of total company volume. At the end of each quarter, this pool is divided among qualifying distributors based on their pro-rata contributors to the Retail Sales Bonus Pool.

Note #1: The Qualification Period for the quarterly commission will be a rolling 13 weeks from the period end date.

Example #6: The Qualification Period for the quarterly commission period of 4th quarter 2009 will be 09/27/2009 – 01/2/2010.

To explain the Retail Sales Bonus Pool payout:

Example #7: In 4th Quarter 2009, Rep #103 and Rep #104 each have 500 CustPV. Rep #105 has 800 CustPV and Rep #106 has 1,100 CustPV. There is a total of 500,000 PV-C for the quarter, therefore the pool amount is $500,000 * 2\% = 10,000$.

Total CustPV for the quarter by qualifying Reps = $500 + 500 + 800 + 1,100 = 2,900$.

Rep #103 and Rep #104 are each responsible for 17% of the pool ($500/2,900$), so they will each earn $2,900 * 17\% = \$493$.

Rep #105 is responsible for 28% of the pool ($800/2,900$), therefore he will earn $2,900 * 28\% = \$2,100$

Rep #106 is responsible for 38% of the pool ($1,100/2,900$), therefore she will earn $2,900 * 38\% = \$2,850$.

5) **Matrix Bonus (Monthly)**

To earn on the Matrix Bonus, a Rep must meet the following requirements in the qualification period:

- Must be Active
- See other qualifications in the payout table below

A Rep is paid a percentage of the capped PV-C on up to 7 compressed levels in his/her downline in the 3x7 Matrix Genealogy.

The PV-C amount a Rep can earn on will be capped by Company. The cap set will be consistent on all 7 compressed Levels. It will be defaulted at 25 PV-C.

Compression will occur if a Rep is not Active (see definition). Inactive Reps will have their downline moved up to their Upline Rep. If the Upline Rep is Active, he/she will earn commission

on this adjusted unilevel organization. These adjustments to the Matrix are for pay purposes only and do not affect the normal genealogy.

Example #8: (To explain compression.)

Rep A is Active and has 3 Reps on his first level, B, C and D. B and C are Active; however, D is not. D has 3 Active Reps on his first level, E, F and G. E, F and G dynamically compress up one level assuming they are Active and Rep A will now have 6 Reps (3 original first level Reps + 3 Reps who compressed up one level) on his first level in this adjusted unilevel organization. This is depicted in the following diagrams:

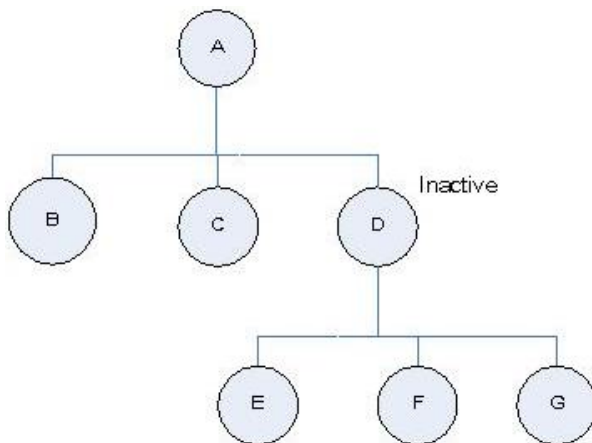


Figure 1: Before Compression

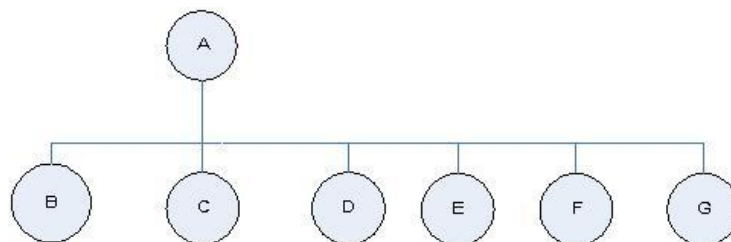


Figure 2: After Compression

The Levels and their respective Percentage Payouts are as follows:

Level	Qualification	Dollar Value
1	--	--
2	At least 25 PV-Q	\$1.00
3	At least 25 PV-Q	\$1.00
4	At least 25 PV-Q	\$.50
5	At least 25 PV-Q	\$.50
6	At least 25 PV-Q	\$1.00
7	At least 25 PV-Q	\$1.00

To explain the Matrix Bonus payout:

Example #9: Rep #100 is Active with 55 PV-Q in the commission period. Rep #100 can earn up to 6 Levels on the Matrix Bonus. However, Rep #100 has only Rep #102 with 100 PV-C on his 2nd Level, Rep #103 with 100 PV-C on his 3rd Level and no Reps on his 4th or higher Levels. Rep #100 will earn

X% on Rep #102's 100 PV-C as Level 2 and X% on Rep #103's 100 PV-C as Level 3.

6) **Matrix Matching Bonus (Monthly)**

To earn on the Matrix Matching Bonus, a Rep must meet the following requirements in the qualification period:

- Must be Active

A Rep is paid a percentage of the total commissions earned in the Matrix Bonus by his/her personally sponsored Reps. A Rep can earn 100% matching on the Matrix commissions earned by their personally sponsored Reps in the commission period.

To explain the Matrix Matching Bonus payout:

Example #10: Rep #100 personally sponsored Rep #102 who earned \$200 in the Matrix Bonus. Rep #100 is active and is eligible to earn 100% matching on Rep #102's commissions from the Matrix Bonus. Rep #100 earns \$200 in the Matrix Matching Bonus.

7) **Fast Start Bonus**

Fast Start Bonuses are applicable on certain promotions only and will be outlined for the specific promotion. Details will be provided when those promotions are in effect.