

# Prosperity Formula, LLC Compensation Plan

## Overview

The Prosperity Formula Compensation Plan is governed by a 2x2 forced matrix. Retail sales commissions are generated each time the 6 available 2x2 matrix positions are filled by selling product either by you or your team. Once these 6 matrix positions are filled, the 2x2 matrix is retired and we automatically assign you a new matrix with 6 open positions. Accordingly, we often call our 2x2 matrix a “recycling matrix” or a “cyclers” for short.



**Each 2x2 Cyclers has 6 positions**

Depending on your qualification level, we offer 4 independently operating cyclers levels, each paying an expanded retail commission upon a cycle, and each requiring a larger amount of sales volume to fill. The purpose of this document is to familiarize you with how our cyclers work, what kind of qualifications are required to operate one or more cyclers, and what levels of retail commissions are available at each level.

Our compensation plan has been designed to provide an equal opportunity for all marketing teams to participate in a high velocity plan without the advantage of “joining early”, as is associated with other standard network marketing plans. Because each cycler is “brand new” (empty) after triggering a commission and cycling, you have the same advantage within the network to earn commissions as anyone else, even the most seasoned marketers.

However, just because a new cycler is empty, it doesn’t mean you are “on your own”. Just like any other forced matrix compensation plan, we have incorporated “spillover” into the cyclers, (...more on that later) and depending on the size of your team, the cyclers can generate commissions and cycle quickly from the efforts of your team, and even your sponsor’s team.

How does this work? Each time you meet the sales volume requirements to fill and retire a cycler, as stated above, you are assigned a new cycler. But this cycler does not exist “in a vacuum”. All our cyclers are connected like a huge tapestry of Independent Distributors working

together in tandem to meet their goals. As an Independent Distributor, each time you are assigned a new cycler, you take a position in the current cycler owned by your sponsor.

## How Does the 2x2 "Follow-Me" Mechanism Work?

(To illustrate, We Show The 2x2 Prosperity Formula Level 2 Cyclers.)

### Step 1. Establish Your Team of Independent Distributors

1. Independent Distributor - James Doe
2. Independent Distributor - Mary Smith
3. Independent Distributor - John Best
4. Independent Distributor - Mark Green
5. Independent Distributor - Will Brown
- ...etc etc...

### Step 2. When Qualified, Each of Your Independent Distributor Team Members Get Their Own Cyclers

OWNER: James Doe CYCLE NUMBER=22742 STATUS: OPEN LEVEL: 2			
OWNER: Mary Smith CYCLE NUMBER=22748 STATUS: OPEN LEVEL: 2			
OWNER: John Best CYCLE NUMBER=26248 STATUS: OPEN LEVEL: 2			
OWNER: Mark Green CYCLE NUMBER=26742 STATUS: OPEN LEVEL: 2			
OWNER: Will Brown CYCLE NUMBER=26728 STATUS: OPEN LEVEL: 2			
OPEN	OPEN	OPEN	OPEN
OPEN	OPEN	OPEN	OPEN

### Step 3.

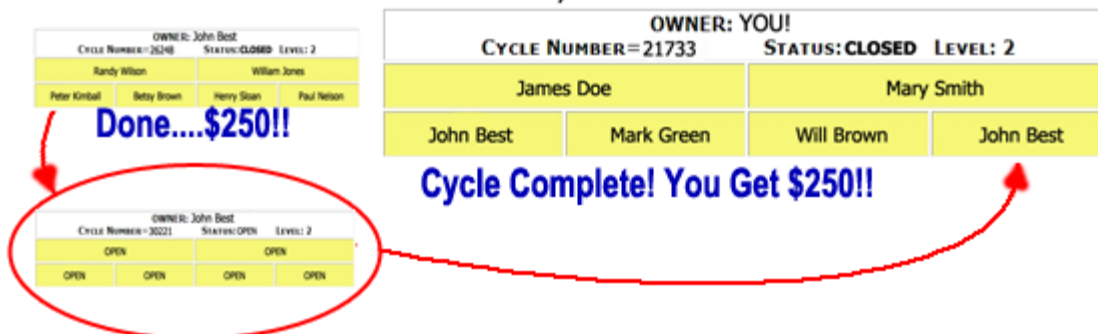
#### What Your Cyclers Look Like\*

\*For the purpose of this example, end-user sales that also fit into your cycler are not illustrated.

OWNER: YOU! CYCLE NUMBER=21733 STATUS: OPEN LEVEL: 2			
James Doe		Mary Smith	
John Best	Mark Green	Will Brown	One More to GO!

### Step 4.

#### John Best Cycles Fast, Gets a New Cyclers And Follows You, Where Ever You Are!



The 2x2 PF "Follow-Me" Cyclers Help you earn commissions more easily.

Taking a new position under your sponsor when you are assigned a new Cyclers is an extremely powerful aspect of the 2x2 Prosperity Formula compensation plan. Think about it. When you have a brand new Cyclers, you can meet the sales volume requirements and fill each of the 6 2x2 matrix positions "by yourself". **OR**, you can build a team of other independent distributors

that also sell Prosperity Formula products. And when they meet their sales volume requirements and cycle, you will find them taking positions in your own cycler. (See the graphic above.) In effect, they “follow you” wherever you are, fill open positions and help you meet your sales volume requirements more easily. You will see in some of our sales materials that we refer to our 2x2 matrix as a “follow-me” matrix. This is because all the members of your team continue to “find” and “fill” available positions in your cycler when they are assigned a new cycler. (This is true no matter where YOU have been placed as you followed YOUR sponsor on your most recent cycle...)

## How Does “Spillover” Work in the 2x2 Cyclers?

(To illustrate, we show the 2x2 Prosperity Formula Level 3 Cyclers.)

### Step 1.

You Sign-up and Qualify Under Your Sponsor, Dave Simmons

What Dave’s Cyclers Look Like\*

\*For the purpose of this example, end-user sales that also fit into his and your cyclers are not illustrated.

OWNER: Dave Simmons			
CYCLE NUMBER=20998		STATUS: OPEN	LEVEL: 3
YOU		Peter Nelson	
OPEN	OPEN	OPEN	OPEN

### Step 2.

Dave’s Team Member, James Doe

“Follows” Dave And Takes The Next Position In His Cyclers

(James Falls Under You In Dave’s Cyclers.)

OWNER: Dave Simmons			
CYCLE NUMBER=20998		STATUS: OPEN	LEVEL: 3
YOU		Peter Nelson	
James Doe	OPEN	OPEN	OPEN

### Step 3.

James Doe Spills Over From Dave Into Your Cyclers

What Your Cyclers Look Like

OWNER: YOU!			
CYCLE NUMBER=22887		STATUS: OPEN	LEVEL: 3
James Doe		OPEN	
OPEN	OPEN	OPEN	OPEN

Spillover Happens With All Qualified Sales Volume, Including Follow-Me Activity.

But the follow-me mechanism is just one aspect that helps you earn commissions more easily. We have also incorporated “Spillover” into the Cyclers. (See the graphic above.) When combining the Spillover and Follow-Me mechanisms together, the 2x2 Prosperity Formula Compensation Plan creates success incentives for you and your team that is unprecedented. The key is to get qualified as fast as possible, (through a combination of personal sales and subscription requirements) then introduce the 2x2 Prosperity product line to other experienced marketers who can work just as hard to get qualified and meet their personal sales objectives. Please note Prosperity Formula make NO guarantee that you will receive any “Spillover”, this is simply a potential and powerful feature of our compensation plan and is not guaranteed.

When combining your efforts with theirs, this plan creates a high-velocity commission payout that rewards personal sales efforts, but also creates tangible commission rewards to you when your team succeeds as well. And don't forget the cycling activity that can be generated with the teams that are being built by *your* team members. It is amazing to see all the slots that get filled with people who follow your team, falling into your cycler when sales are made. In effect, if you build the “right” team of active marketers, you can easily cycle on a regular basis, potentially in multiple levels simultaneously.

## Cycler Levels

Prosperity Formula has created four independently operating cycler levels, each paying an expanded retail commission upon a cycle, and each requiring a larger amount of sales volume to fill each of the 6 (2x2) positions:

### 1. Level 1 Cycler:

Each position is filled when generating \$75 in Prosperity Formula sales volume. When all 6 positions are filled a cycle generates \$125 in retail sales commission. This can happen as often as you like. (You can cycle multiple times daily-no limit.)



The Level 1 Cycler Generates \$125

## 2. Level 2 Cyclers:

Each position is filled when generating \$150 in Prosperity Formula sales volume. When all 6 positions are filled a cycle generates \$250 in retail sales commission. This can happen as often as you like. (You can cycle multiple times daily-no limit.)

**\*Note: Prosperity Formula Products are currently priced to generate sales volume in multiple cyclers levels simultaneously. For example, our Silver Marketing Package is currently priced at \$225. The sale of a Silver package will fill a position in your Level 1 and Level 2 Cyclers simultaneously, if you are qualified to operate at both levels.**



The Level 2 Cycler Generates \$250

## 3. Level 3 Cyclers:

Each position is filled when generating \$300 in Prosperity Formula sales volume. When all 6 positions are filled a cycle generates \$500 in retail sales commission. This can happen as often as you like. (You can cycle multiple times daily-no limit.)



The Level 3 Cycler Generates \$500

#### 4. Level 4 Cyclers:

Each position is filled when generating \$600 in Prosperity Formula sales volume. When all 6 positions are filled a cycle generates \$1,000 in retail sales commission. This can happen as often as you like. (You can cycle multiple times daily-no limit.)



The Level 4 Cyclers Generates \$1000

### Prosperity Formula Products Sales Volume Criteria

Prosperity Formula has a growing list of marketing support tools and Sales Packages designed to dovetail within our 2x2 Cyclers Compensation Plan. Please refer to our sales material for the current listing of functionality and facilities offered with each package:

#### 1. The Bronze Marketing Package.

Our “entry level” package generates \$75 in sales volume. A sale fills one 2x2 slot in your Level 1 Cyclers.

#### 2. The Silver Marketing Package.

Generates \$225 in sales volume. A sale fills one slot in your Level 1 Cyclers, and one slot in your Level 2 Cyclers. (You need to be qualified to operate a Level 2 Cyclers to get commissions on that level.)

#### 3. The Gold Marketing Package.

Generates \$525 in sales volume. A sale fills one slot in your Level 1 Cyclers, one slot in your Level 2 Cyclers, and one slot in your Level 3 Cyclers. (You need to be qualified to operate at Levels 2 and 3 to get commissions on those levels.)

#### **4. The Platinum Marketing Package.**

Generates \$1,125 in sales volume. A sale fills one slot in your Level 1 Cyclor, one slot in your Level 2 Cyclor, one slot in your Level 3 Cyclor and one slot in your Level 4 Cyclor. (You need to be qualified to operate at Levels 2, 3 and 4 to get commissions on those levels.)

### **How to Get Qualified at Levels 1, 2, 3 and 4**

As you can see, each Prosperity Formula product sale carries a certain amount of Sales Volume applied to one or more Cyclor levels. Since everybody would naturally like to participate in commissions in as many levels as possible, you need to get qualified in each level. Once you've enrolled as an Independent Distributor, you'll need to get your own business center Activated and maintain "Active" status in order to earn commissions from the sales activity of you and other Independent Distributors in your network.

1. Activate your Cyclor Levels by generating an initial sale through a personal use purchase or by generating the required Personal Sales Volume (PSV).
  1. Become a Director and qualify for the Level 1 Cyclor with a \$75 personal use or retail sale (Non Independent Distributor sale).
  2. Become a Senior Director and qualify for both Level 1 and 2 Cyclors with a \$225 personal use or retail sale(Non Independent Distributor sale).
  3. Become an Executive Director and qualify for Level 1, 2 and 3 Cyclors with a \$525 personal use or retail sale (Non Independent Distributor sale).
  4. Become a Presidential Director and qualify for Level 1, 2, 3 and 4 Cyclors with a \$1,125 personal use or retail sale (Non Independent Distributor sale).
2. Your first month of Online Sales and Marketing Materials Support are free. From the beginning of your 2<sup>nd</sup> month on, in order to remain Active, you will also need to begin paying just \$21.95 per month for access to your business center and website.
3. To remain qualified, you need to have at least 1 directly enrolled Independent Distributor on your team that is Active. New distributors have a 90 day grace period.
4. Additionally, you will need to make a sale to at least 5 non-distributor customers every 3 months.

As an Active Independent Distributor, you are eligible to earn Sales Commissions on all your Sales Volume, whether it is generated through Personal Sales (PSV) or sales associated with your team (also known as Group Sales Volume or GSV).

## 2x2 Prosperity Formula Pay Plan Chart

	Retail Customer	Independent Distributor
<b>Get Enrolled – Get Qualified</b>		
<b>Enrollment</b>	N/A	FREE* *(\$49.95 Non-commissionable setup fee waived until 8/1/2009) Execute Independent Distributor Agreement
<b>To Become Qualified</b> Needed to earn Cycle Bonuses	Subscribe to the company's website hosting and Prosperity Marketing system at a minimum of \$29.95/mo.	Generate at least \$75 in Personal Sales Volume from a personal use or retail sale to non distributor. + Generate at least one website hosting and business center subscription at a minimum of \$21.95/mo. from either a personal use or retail sale to non-distributor.
<b>To Stay Qualified</b> Needed to continue earning Cycle Bonuses	Maintain your subscription to the company's website hosting and Prosperity Marketing system at a minimum of \$29.95/mo.	Maintain in each pay period at least 1 directly enrolled and Qualified Independent Distributor (90 day grace period) + Make a retail sale to at least 5 non-distributor customers every 3 months. + Maintain at least one website hosting and business center subscription at a minimum of \$21.95/mo. from either a personal use or retail sale to non-distributor.
<b>Notes</b>	* Retail Customer has no position in network. * All Retail Sales managed via the Prosperity Marketer System on the 2x2PF Company Website. * PSV automatically credited to Independent Distributor Subscribers of Prosperity Marketer	Customer sales volume counts towards PSV and GSV
<b>Get Paid</b>		
<b>Retail Commission</b> On personal Retail Customer purchases	N/A	Packages: Bronze Package = \$125 for \$450 in Sales Volume Silver Package=\$250 for \$900 in Sales Volume Gold Package=\$500 for \$1800 in Sales Volume Platinum Package=\$1000 for \$3600 in Sales Volume
<b>Digital Library Direct Sales</b> Digital Library Resell Rights Products such as eBooks, audios, videos, etc.	100% of the Sale Paid Direct to You	100% of the Sale Paid Direct to You

### Get Paid

The Prosperity Formula compensation plan pays the distributors weekly and is one of the most lucrative compensation plans of its kind in the marketplace.

- Digital Library Direct Sales** - As an qualified Independent Distributor, you receive “Personal Use” and basic “Resell Rights” on digital products in the Digital Library where you get paid directly by your customer and best of all you keep 100% of the sale on those products you sale via the Digital Library. Your qualified Retail customers also get this same opportunity. Depending up on qualification level direct sales will vary between \$27 and \$297.00

2. **Cycle Bonuses** – With Prosperity Formula you can build a distribution network that can create leveraged income through the ongoing your ongoing Personal Sales Volume (PSV) and of others people in your sales organization this is called Group Sales Volume (GSV). This is truly exciting!

**To Your Success and Prosperity!**