

OPPORTUNITIES WITH AVAZZIA

Distributorship / Sales Rep / Commissioned Sales / Referral Agent

There are four basic opportunities to make money with the sales of Avazzia devices.

1. Distributor

This is the most lucrative level of involvement and also has the highest level of commitment. You own your business along with the opportunity of developing a sales team.

This entails:

- an original **retail** purchase of a *professional device* **and** any *home device* for demonstration.
- signing a Distributor Agreement with a commitment to abide by all the terms of the Agreement and Avazzia Requirements such as getting a NPI number, Liability Insurance, sales tax resale certificate, etc. (see Distributor Agreement)
- a **Distributor will purchase products at Tier 3 with no monthly volume requirement** (see Avazzia Price Sheet for Tier Level information.)
- a yearly purchase of a professional device and any home device to maintain status as a Distributor
- a Distributor that wants a deeper discount must sign a monthly volume contract at that Tier Level.
- a commitment to taking **training courses** (Level 1 is free with purchase of ProSport professional device).
- to commit to being available and assistive and educative while **developing a sales team** of *Distributors* and/or *Sales Reps* and/or *Commissioned Sales People* and/or *Referral Agents*.

2. Sales Rep (Direct Marketing only)

This opportunity is for those who would like to make significant money without the obligation of building a Distributorship organization. Sales Rep will purchase products at **(Tier 1, 2 or 3 only) based on each product sales volume**. Tier level is based on each single purchase of product sale. Tier Levels make you eligible to purchase the products at wholesale prices. The higher the Tier Level the deeper your discount wholesale purchase price for selling of products at retail.

This entails:

- signing of a **Sales Rep Agreement** and a commitment to abide by the terms (see Sales Rep Agreement).
- a minimum upfront **single purchase** of product at Tier 1 volume (see "Sales Rep" below).
- no monthly volume requirement.
- you are able to recruit and contract with *Commission Sales People* or *Referral Agents*.
- you may not recruit *Distributors* or other *Sales Reps*.

3. Commissioned Sales Person (CSP)

This is an opportunity for those who do not have the financial ability to purchase product and who are employed by a *Distributor* as contract labor. The Distributor does all the financing and end sales of product but is assisted by the *Commissioned Sales Person (CSP)*. That person introduces Avazzia to a prospect and takes the prospect all the way to the sale by the *Distributor*. These would be sales that would not otherwise have occurred without the *CSP's* efforts. Either a flat rate or a percentage of the profit of the sales is paid to the *CSP* by the *Distributor*. The flat rate or percentage of profits from sales is decided upon by the *Distributor* and an Agreement is signed to cover the arrangement. Commission Examples are as follows:

1. Flat Rate Commission on sales:

This would mean that for every sale that the *CSP* is responsible for, there is a set amount of commission paid.

2. Percentage of Sales Profits Commission:

The *Distributor* has a choice of paying the *CSP* a percentage of profits as a commission. In this arrangement there is more incentive for *CSP* to create volume which may push their sponsor *Distributor* up to the next Tier Level which would increase the *CSP's* income as well as the *Distributor's* income.

4. Referral Agent

This is for those who just want to refer prospects to the *Distributor* or *Sales Rep* with no other obligation to work a business. When the *Referral Agent* refers a prospect to the Sponsoring *Distributor* or *Sales Rep* and a sale of a professional device or home device is made to the referred prospect, there is a referral fee paid to the *Referral Agent*. A suggested \$50 referral fee is paid upon the sponsoring *Distributor's* sale of a home device and a suggested \$100 referral fee is paid upon the sponsoring *Distributor's* sale of a professional device. Eligible sales would be for ProSport, Pro1, RSI, Vet devices, or EzziLift devices. Referral fees are subject to change with future available less expensive devices.

This entails:

- signing of a **Referral Agent Agreement** that establishes a relationship/obligation of *Distributor* or *Sales Rep* with the *Referral Agent*. You must abide by the Agreement and not make medical claims or any false or misleading statements.
- sending in prospects via prior notification to the sponsoring *Distributor* or *Sales Rep* so they can expect the prospect.
- eligible prospects would be those who are brought to the *Distributor* or *Sales Rep* that have never had contact with the sponsoring *Distributor* or *Sales Rep* concerning the sale of any Avazzia device.

Distributorship:

You become a Business Owner (Direct Sales Business under a Sponsor with intent to build a sales team).

This means:

An active qualified Distributor has to sponsor you and assist you.

You must purchase a ProSport and Home Device at retail from your sponsor.

You must purchase one month of inventory at an agreed upon Tier price (Tier 3, 4 or 5).

With your fulfilling requirements for *Distributorship*, you will be brought in at Tier Level 3 after your initial purchase at retail of a ProSport professional model and a home device for demonstration.

You have a commitment for a monthly wholesale volume at whatever Tier Level you have qualified for.

You must register, pay for and attend an Avazzia approved Level 1 training course.

You must commit to register, purchase and attend First Alternatives approved advanced trainings.

You must sign a **Distributor Agreement Form** and agree to the requirements and abide by its terms:

NPI number

Professional Liability Insurance

W9 sent to your sponsoring Distributor

Abide by the rules and regulations of Avazzia and your Agreement

You must never make medical claims or falsely represent Avazzia, First Alternatives or your up line sponsor.

You are responsible for keeping good records and filing your own income taxes.

You are paid as contract labor with 1099 income.

You must order all Avazzia related products from your Sponsor.

You buy product for a discount and sell at retail (discounts depend on what Tier Level you are at).

You may not advertise prices below the suggested retail price set by Avazzia as this would create unfair competition.

Any advertising or literature you design or use must be approved by First Alternatives and Avazzia.

You must be trained by First Alternatives LLC in the use of Avazzia products in order for you to demonstrate the products. Rules must be followed when demonstrating medical devices to prospective buyers.

You must be trained in proper sales techniques by First Alternatives.

You must promote training and events by First Alternatives among the recruits in your organization.

You cannot sell a device that requires a health care practitioner's prescription without a prescription. If you are a licensed health care practitioner, you cannot write a prescription for a person who is not a patient of record.

If you are not a licensed health care practitioner you cannot "treat" people. You may "demonstrate" with people. Demonstrations should follow signing of a waiver of liability and a review of the waiver to ensure eligibility for demo. You must keep track of Serial numbers of devices from your sales. These numbers should be written on a sales receipt and a readily available copy kept in your records for First Alternatives and Avazzia.

You may sponsor other *Distributors, Sales Reps, Commissioned Sales Persons and/or Referral Agents* and build an organization whose product purchases from you add to your volume. This helps you qualify for higher Tier Levels resulting in deeper discounts on your product purchases and hence higher income from your personal and organizational retail sales.

Sales Representative:

You are eligible to build a sales force of contracted *Commissioned Sales People or Referral Agents*.

You must sign a **Sales Representative Agreement** and abide by its terms. (see Sales Representative Agreement)

You represent your sponsoring Distributor, First Alternatives and Avazzia.

You must give a W9 to your sponsoring Distributor.

You are responsible for keeping good records and reporting income and paying required taxes (1099 income).

You are paid as contract labor with 1099 income.

You are responsible for keeping good records and filing your own income taxes.

You must make an original purchase of a device or devices at retail from your sponsoring Distributor.

You must never make medical claims or falsely represent Avazzia, First Alternatives or your upline sponsor.

You must order all Avazzia related products from your Sponsor.

You have no commitment for a wholesale volume per month.

You buy product for a discount and sell at retail (discounts depend single product purchase).

You may not advertise prices below the suggested retail price set by Avazzia as this would create unfair competition.

retail purchase. Tier Level will depend each single purchase product order up to Tier 3 discount.

There are 3 Tier Levels. Each successive Tier Level represents a deeper discount for purchase of products for selling at retail. Your profit comes from the difference between your discounted purchase of product and your sales at retail.

Note: Tier 1 can be established with a wholesale purchase volume of \$1,000

Tier 2 can be established with a wholesale purchase volume of \$2,000

Tier 3 can be established with a wholesale purchase volume of \$5,000 or more

You must be trained by First Alternatives LLC in the use of Avazzia products in order for you to demonstrate the products. Rules must be followed when demonstrating medical devices to prospective buyers.

You must be trained in proper sales techniques by First Alternatives.

Any advertising you design or use must be approved by First Alternatives and Avazzia.

You cannot advertize product for less than the retail price as per Avazzia's price sheet.

You must never make medical claims or false claims about the Avazzia products or business opportunities.

You cannot sell a device that requires a health care practitioner's prescription without a prescription.

If you are a licensed health care practitioner, you cannot write a prescription on a person who is not a patient of record.

If you are not a licensed health care practitioner you cannot "treat" people. You may "demonstrate" with people.

Demonstrations should follow signing of a waiver of liability and a review of the waiver to ensure eligibility for demo.

You may elect to convert to a Distributor status at any time by following the requirements to become a Distributor.

You must keep track of Serial numbers of devices from your sales. These numbers should be written on a sales receipt and a readily available copy kept in your records for First Alternatives and Avazzia.

Commissioned Sales:

You are employed by a *Distributor* or a *Sales Rep* as contract labor. The *Distributor/Sales Rep* does all the purchasing of product and sales of product but is assisted by the *Commissioned Sales Person (CSP)*. The *CSP* introduces a prospect to Avazzia and takes the prospect all the way to the sale for the *Distributor/Sales Rep*. These would be sales that would not otherwise have occurred without the *CSP's* efforts. Either a **flat rate** or a **percentage of the profit** from the sale is paid to the *CSP* by the *Distributor*. The flat rate or percentage of profits from sales is decided upon by the *Distributor/Sales Rep* and an Agreement is signed to cover the arrangement. Since the *Distributor/Sales Rep* is taking all the risk and financing the operation of the business, the *CSP* would not be expected to make as much commission as the *Distributor/Sales Re*. But there can still be significant income to the *CSP*.

Commission Examples are as follows:

1. Flat Rate Commission on sales:

This would mean that with every sale that the *CSP* is responsible for, there is a set amount of commission paid. These commissions may be paid biweekly or monthly. The amount is negotiated between the *Distributor/Sales Rep* and the *CSP* and put in writing in the form of an Agreement. The *Distributor/Sales Rep* may elect to modify the commission amount to a higher commission level as the *CSP's* efforts increase the *Distributor/Sales Rep's* sales volume. This again is at the discretion of the *Distributor/ Sales Rep* and should be negotiated in the Agreement. Profits are derived from the income from a sale minus the cost of product and any other appropriate costs such as shipping, tax, credit card discounts, etc.

Example 1: (Note: This is only for the purpose of demonstration and not a suggestion of commission amount).

A *CSP* works with their prospect from introduction of Avazzia to the sale of a device. Profit from a retail sale of a ProSport by a Tier Level 3 *Distributor* would roughly be \$900.00. If the negotiated flat rate commission was at \$200.00 for the sale of a ProSport, this would equate to an approximate 22% of the profit made on this sale and paid as commission to the *CSP*.

Example 2:

Let's say you hire a helper for your business to handle calls, do bookwork, order product, send out supplies and do follow ups, etc. You pay this person an hourly wage. You may elect to also negotiate a commission for this person's efforts in bringing prospects to the table and taking them all the way to a sale of product. Then this person would be making an hourly wage and a flat rate commission on from the sales of Avazzia products. It would be up to the *Distributor/Sales Rep* to negotiate that Agreement with the *CSP*.

2. Percentage of Sales Profits Commission:

The *Distributor/Sales Rep* has a choice of paying the *CSP* a percentage of profits as a commission. In this arrangement there is more incentive for *CSP* to create volume which may push their sponsor *Distributor/Sales Rep* up to the next Tier Level which would increase the *CSP's* income as well as the *Distributor's* income. Instead of a set amount (flat rate) for the sale of specific devices, the *CSP* would derive an income (commission) from the negotiated percentage of profits from sales. Again, profits are derived from the income from a sale minus the cost of product and any other appropriate costs such as shipping, tax, credit card discounts, etc.

This could be a very good arrangement for both the *Distributor/Sales Rep* and the *CSP* as this would free up the *Distributor/Sales Rep* to be doing other profitable prospecting, training, events, etc. while the contracted helper keeps up with sales. The *CSP* would, of course, have to be trained properly, be able to do demonstrations with the devices and be able to make sales, schedule trainings, deliver product, etc. and would have to follow all the same rules as the *Distributor/Sales Rep* has to follow.

Referral Agent:

A *Referral Agent* would be contracted only for bringing prospects to the *Distributor/Sales Rep* and the only way they are paid is if there is a sale of an Avazzia device as the result of introducing the prospect to the *Distributor/Sales Rep*. This would be a contractual arrangement as a “finder’s fee “ and based solely on whether there are sales of devices as a result of the *Referral Agent* introducing someone who would not have otherwise been a prospect of the *Distributor/Sales Rep*. The *Referral Agent’s* obligation would be to not make medical claims or false statements about Avazzia or their products or the *Distributor/Sales Rep*. It would not entail any demonstrations with the devices by the *Referral Agent*. The referral would need to be made known to the *Distributor/Sales Rep* prior to or at the introduction of the referral to the *Distributor/Sales Rep*. \$50 would be paid to the *Referral Agent* for a referral resulting in a sale of a home device and \$100 for the sale of a professional device.

Tier Levels:

Sales Reps are eligible for Tiers 1, 2 and 3 based on single purchase product volume.

Tier Level 1 = \$1,000

Tier Level 2 = \$3,000

Tier Level 3 = \$5,000 or more

Distributors are eligible for Tiers 3, 4, and 5.

Tier Level 3 = \$5,000 initial retail purchase and a \$5,000 monthly wholesale volume commitment**

Tier Level 4 = \$10,000 initial retail purchase and a \$10,000 monthly wholesale volume commitment**

Tier Level 5 = \$25,000 initial retail purchase and a \$25,000 monthly wholesale volume commitment**

**You have an opportunity as a *Distributor* to buy in at a higher Tier Level but you have a monthly commitment and you must not stockpile product. Buying in at a higher Tier Level would be more appropriate for an established networker who has a large organization or following.

A Tier Level 3 *Distributor* may advance to Tier Level 4 after qualifying with a Tier 3 wholesale volume for a full three consecutive months just prior to the required wholesale volume purchase at Tier Level 5. A Tier Level 4 *Distributor* may advance to a Tier Level 5 with a Tier 4 wholesale volume for three consecutive months just prior to the required wholesale volume purchase at Tier Level 5.

A Breakaway Distributor requires three months of at least a \$25,000 Tier 5 monthly wholesale volume and a minimum of \$25,000 monthly wholesale volume commitment each month thereafter.

After qualifying for *Breakaway Distributor*, you deal directly with the company (Avazzia) and are entitled to profit sharing from First Alternative Master Distributorship.

Definitions:

Volume: Monthly volume purchases at wholesale prices set by Avazzia (see Avazzia Price List).

Professional device: ProSport or any future professional model.

Home device: Pro1, RSI, EzziLift, Vet devices, etc.

Retail price: pricing set by Avazzia as suggested retail price

Grace Period: you are given one month grace period for when committed Tier volume is not maintained.