

Xtreme Healthy Lifestyles Income Disclosure

With income disclosures, the FTC is very clear with their requirements. Whenever an income claim is made, regulators assume that the claim is deceptive unless the proper substantiation is provided. Their rationale is simple: when representing non-average earnings i.e. big money that is only realized by few people, it's important to provide the prospects with average earnings so they can make informed decisions. It's not exactly fair because the average earnings are skewed downwards due to the low cost of entry and a complete lack of activity from most participants.

Whenever income is referenced, in whatever format, an Income Disclosure Statement ("IDS") needs to be provided to the prospect. There are two key reasons referenced in nearly every complaint filed by regulators against MLMs: the main reason is lack of external sales. The other reason is grossly exaggerated income claims made by field leaders without proper substantiation. When a company creates discipline in its leaders to properly use income disclosure statements, it's a great hedge against a serious risk factor.

The IDS needs to be provided when income claims are made. Express income claims are claims occur when various scenarios are provided i.e. "put in 50 people in your business, earn X dollars." Implied income claims are usually the most common and occur when speakers reference lavish lifestyles, nice homes, cars and any form of success that can be achieved by way of the business. Whenever an income claim is made, ***a disclaimer needs to be provided in the same font or format as the statement that triggered it.*** As an example, if I say "Buy the home you've always wanted" in bold, larger than normal font, the disclaimer technically needs to be made in the exact same format. This is an unusual requirement passed by the FTC to apply pressure on companies to keep their income claims less conspicuous.

Xtreme Healthy Lifestyles Income Disclosure

The Xtreme Healthy Lifestyles Compensation Plan is an exciting opportunity that rewards you for selling our proprietary products and services and for sponsoring other participants who do the same. Although the opportunity is unlimited, individual results will vary depending on market conditions, commitment levels and sales skills of each participant. Since Xtreme Healthy Lifestyles has recently launched, it lacks enough statistical data to prepare reliable income disclosures. The numbers below reflect **estimates** prepared by the company pending a more detailed survey to be conducted after its first year. Based on industry standards and company projections, the average annual gross revenue for Affiliate Members is projected to be anywhere between **\$500 and \$2,000**. These numbers do not reflect the expenses associated with building a Xtreme Healthy Lifestyles business, which could exceed the commissions received.

There will certainly be participants who will earn less while others will earn much more. We're excited about the Xtreme Healthy Lifestyles Compensation Plan and

we're confident it will provide you a solid foundation to help you achieve your financial goals.

If income projections were presented to you prior to your enrollment, such projections are not necessarily representative of the income, if any, that you can or will earn through your participation in the Compensation Plan. These income projections should not be considered as guarantees or projections of your actual earnings or profits. Success with Xtreme Healthy Lifestyles results only from hard work, dedication, and leadership.

SHORT FORM [to be used directly under income illustrations]

This illustration is only for educational purposes and is not intended to serve as a guarantee of income. Success in this business requires hard work, dedication and good sales skills. The average participant in this business earns between \$500 and \$2,000 per year. Some earn less while some earn much more.