



Statement of Policies and Procedures

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Statement of Policies and Procedures

SECTION 1 - CORPORATE MISSION STATEMENT AND STANDARD OF ETHICS

1.1 - Cookie Lee Corporate Mission Statement; Vision, Mission and Values

Vision:

The Cookie Lee company is a caring family that creates opportunities to build relationships, achieve financial freedom and a balanced family life, while having fun making “Cookie Lee” a household name and the leader in the jewelry industry.

Mission Statement:

We will do this by:

- Providing a fashion-forward product at a good value
- Creating a unique and exciting shopping experience
- Providing tools, training and resources to partner for success
- Generously supporting charities nationwide
- Maintaining profitability
- Delivering outstanding customer service

Values:

- Celebrate success and reward results
- One “family”
- Opportunities for all to grow
- Keepers of the Golden Rule
- Integrity
- Everyone have fun!

1.2 - The Golden Rule

What is the Golden Rule?

Historically, the Golden Rule has been quoted as “Do unto others as you would have them do unto you.” This philosophy has long been recognized as a motto of integrity and honor, and as such, Cookie Lee Inc. has incorporated this motto as a core value of our company. One of the main goals of Cookie Lee Inc. is to always remain a highly regarded company. Our business ethics are based upon maintaining high standards that will ensure our status as a company of character.

Company employees are held to these standards, and we strive to see the same values carried out by Independent Consultants in the field. Consultants are often the only way the company’s name is spread to the public, so you directly impact the public image of Cookie Lee jewelry, which, of course, impacts your success.

What does the Golden Rule mean to Cookie Lee Consultants?

The Golden Rule calls for all Consultants to treat each other as they would like to be treated. This relates to all aspects of the Cookie Lee jewelry business. We expect all Consultants to manage their businesses in a courteous and professional manner, guided by integrity. This also applies to the way you treat all people in the course of business: your customers, your show hosts, your company staff and so forth.

The company cannot possibly imagine all the possible scenarios in which you might find yourself, nor can the company dictate the details of every decision you might make, which is why the Golden Rule is of such importance. In the event you find yourself unsure about the correct course of action, please consider the Golden Rule. Cookie Lee Inc. strives to always maintain a courteous, professional and esteemed reputation and it is your responsibility to always act accordingly. The foundation of Cookie Lee Inc.’s success is based on the Golden Rule as a key philosophy, and we would like to see you share both our philosophy as well as our success.

How do you apply the Golden Rule to your daily business?

When making decisions, ask yourself these questions:

- Am I running my business with integrity?
- Is this a decision that helps others as well as myself?
- Have I considered the potential ramifications of my actions?
- Can I be proud of this decision?
- Will this hurt any other Consultants or the image of Cookie Lee Inc.?
- Will this help my reputation? What about the reputation of the company?

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SECTION 2 - INTRODUCTION

2.1 - Policies and Compensation Plan Incorporated into Consultant Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Cookie Lee Inc. (hereafter “Cookie Lee” or the “Company”), are incorporated into, and form an integral part of, the Cookie Lee Consultant Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Cookie Lee Consultant Application and Agreement Form, these Policies and Procedures and the Cookie Lee Marketing and Compensation Plan. These documents are incorporated by reference into the Cookie Lee Consultant Agreement (all in their current form and as amended by Cookie Lee).

2.2 - Purpose of Policies

Cookie Lee is a direct sales company that markets products through Independent Consultants. It is important to understand that your success and the success of your fellow Consultants depends on the integrity of those who market our products. To clearly define the relationship that exists between Consultants and Cookie Lee, and to explicitly set a standard for acceptable business conduct, Cookie Lee has established the Agreement.

Cookie Lee Consultants are required to comply with all of the Terms and Conditions set forth in the Agreement, which Cookie Lee may amend at its sole discretion from time to time, as well as with all federal, state and local laws governing their Cookie Lee business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor, and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from the Consultant Care Department at the Cookie Lee corporate office.

2.3 - Changes to the Agreement

Because laws and the business environment periodically change, Cookie Lee reserves the right to amend the Agreement and its prices at its sole and absolute discretion. By signing the Consultant Agreement, a Consultant agrees to abide by all amendments or modifications that Cookie Lee elects to make. Amendments shall be effective 30 days after publication of notice of amendments in official Cookie Lee materials. The Company shall provide or make available to all Consultants a complete copy of the amended provisions by one or more of the following methods: (a) posting on the Company’s official website; (b) electronic mail (email); (c) inclusion in Company periodicals; (d) inclusion in product orders or bonus checks; or (e) special mailings. The continuation of a Consultant’s Cookie Lee business or a Consultant’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

2.4 - Delays

Cookie Lee shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party’s source of supply, or government decrees or orders and acts of God.

2.5 - Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid or unenforceable provision never comprised a part of the Agreement.

2.6 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Cookie Lee to exercise any right or power under the Agreement or to insist upon strict compliance by a Consultant with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Cookie Lee’s right to demand exact compliance with the Agreement. Waiver by Cookie Lee can be affected only in writing by an authorized officer of the Company. Cookie Lee’s waiver of any particular breach by a Consultant shall not affect or impair Cookie Lee’s rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Consultant. Nor shall any delay or omission by Cookie Lee to exercise any right arising from a breach affect or impair Cookie Lee’s rights as to that or any subsequent breach.

The existence of any claim or cause of action of a Consultant against Cookie Lee shall not constitute a defense to Cookie Lee’s enforcement of any term or provision of the Agreement.

SECTION 3 - BECOMING A CONSULTANT

3.1 - Requirements to Become a Consultant

To become a Cookie Lee Consultant, each applicant must:

- 3.1.1 - Be at least 18 years of age;
- 3.1.2 - Reside in the 50 United States or on U.S. military bases accessible via APO or FPO addresses;
- 3.1.3 - Have a valid, verifiable Social Security or Tax ID number;
- 3.1.4 - Purchase a Cookie Lee Starter Kit (except where prohibited by law; not applicable in North Dakota);
- 3.1.5 - Not be related to a Cookie Lee employee (parent, sibling, child, etc); and
- 3.1.6 - Not be a spouse of a current Cookie Lee Independent Consultant.

The Company reserves the right to verify information provided, including the validity of Social Security numbers, and to reject any applications for a new Consultant or applications for renewal.

3.2 - Starter Kit Required

In order to familiarize new Consultants with Cookie Lee merchandise, sales techniques, sales aids and other matters, the Company requires that new Consultants purchase a Starter Kit. Cookie Lee will repurchase resalable kits from any Consultant who terminates his or her Consultant Agreement pursuant to the terms of Section 8.1.

3.3 - Consultant Benefits

Once a Consultant Application and Agreement has been accepted by Cookie Lee, the benefits of the Marketing and Compensation Plan and the Consultant Agreement are available to the new Consultant. These benefits include the right to:

- 3.3.1 - Purchase Cookie Lee products at the prevailing Consultant price, based on initial start-up option chosen.
- 3.3.2 - Sell Cookie Lee products, which are described in the Cookie Lee product catalog and profit from these sales, within the regulations described in the Retail Policies, Section 13.
- 3.3.3 - Participate in the Cookie Lee Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- 3.3.4 - Sponsor other individuals into the Cookie Lee business and thereby build a marketing organization and progress through the Cookie Lee Marketing and Compensation Plan;
- 3.3.5 - Receive periodic Cookie Lee literature and other Cookie Lee communications;
- 3.3.6 - Participate in Cookie Lee-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- 3.3.7 - Participate in promotional and incentive contests and programs sponsored by Cookie Lee for its Consultants.

3.4 - Maintaining Your Cookie Lee Business

Consultants must purchase a minimum of \$300.00 in wholesale/commissionable jewelry within 12 months, starting from their sign-up date, and every anniversary thereafter. Consultants have the until the last business day of their sign-up anniversary month to fulfill this requirement. Any purchases made in the month a Consultant signs up do NOT count toward fulfillment of the annual \$300 minimum wholesale jewelry requirement.

For example, if a Consultant signed up on October 15, 2007, they will need to purchase a minimum of \$300 wholesale jewelry during the period of 11/01/07 to 10/31/08, or risk termination. Upon termination, a Consultant will lose all Consultant benefits, including levels achieved and any Downline members recruited.

SECTION 4 - OPERATING A COOKIE LEE BUSINESS

4.1 - Adherence to the Cookie Lee Marketing and Compensation Plan

Consultants must adhere to the terms of the Cookie Lee Marketing and Compensation Plan as set forth in official Cookie Lee literature. Consultants shall not offer the Cookie Lee opportunity through, or in combination with, any other system, program or method of marketing other than that specifically set forth in official Cookie Lee literature. Consultants shall not require or encourage other current or prospective customers or Consultants to participate in Cookie Lee in any manner that varies from the program as set forth in official Cookie Lee literature. Consultants shall not require or encourage other current or prospective customers or Consultants to execute any agreement or contract other than official Cookie Lee agreements and contracts in order to become a Cookie Lee Consultant. Similarly, Consultants shall not require or encourage other current or prospective customers or Consultants to make any purchase from, or payment to, any individual or other entity to participate in the Cookie Lee Marketing and Compensation Plan other than those purchases or payments identified as recommended or required in official Cookie Lee literature.

4.2 - Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. "Bonus buying" includes (a) the enrollment of individuals without their knowledge and agreement and/or without execution of an Independent Consultant Application; (b) the fraudulent enrollment of an individual as a Consultant or customer; (c) the enrollment or attempted enrollment of non-existent individuals as Consultants or customers; (d) the use of a credit card by or on behalf of a Consultant or customer when the Consultant or customer is not the account holder of such credit card; (e) purchasing Cookie Lee merchandise or services on behalf of another Consultant, or under another Consultant's ID number, to qualify for commissions or bonuses.

4.3 - Sole Proprietorship

Applications for Cookie Lee distributorships will only be accepted as Sole Proprietors. No "Business Entities" or tax identification numbers are permitted. DBAs on file as of the printing of these policies are considered "grandfathered."

4.4 - Changes to a Cookie Lee Business

4.4.1 - General

Each Consultant must immediately notify Cookie Lee of all changes to the information contained in his or her Consultant Application and Agreement. Consultants may modify their existing Consultant Agreement Form (i.e., change name) by submitting a written request and appropriate supporting documentation.

4.4.2 - Co-Applicants

Cookie Lee does not allow co-applicants. Each application may only contain one (legal) name and the corresponding social security number. This policy applies to all individuals, including family and spouses.

4.4.3 - Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Consultants, Cookie Lee does not allow changes in sponsorship for active Consultants. Maintaining the integrity of sponsorship is critical for the success of every Consultant and marketing organization. Accordingly, the transfer of a Cookie Lee business from one sponsor to another is not permitted.

•Change in sponsor, due to Cookie Lee error, will be accepted within 45 days of completion of the application.

4.4.4 - Cancellation and Re-application

A Consultant may legitimately change organizations by:

a) voluntarily canceling his or her Cookie Lee Agreement and remaining inactive (i.e., no purchases of Cookie Lee products for resale; no sales of Cookie Lee products; no sponsoring; and no attendance at any Cookie Lee functions, participation in any other form of Consultant activity, or operation of any other Cookie Lee business) for 12 full calendar months. Following the 12 calendar month period of inactivity, the former Consultant may reapply under a new sponsor.

b) Non-Renewal

A Consultant who fails to purchase the minimum of \$300.00 in wholesale/commissionable jewelry within 12 months, starting from their sign-up date, and every anniversary thereafter, will be considered to have voluntarily resigned, and to have been “inactive” for 12 months, and can therefore submit a new application in the following month. (See Section 3.4 and 13 for more information.)

4.5 - Unauthorized Claims and Actions

4.5.1 - Indemnification

A Consultant is fully responsible for all of his or her verbal and written statements made regarding Cookie Lee products, services, and the Marketing and Compensation Plan that are not expressly contained in official Cookie Lee materials. Consultants agree to indemnify Cookie Lee and Cookie Lee’s directors, officers, employees and agents and hold them harmless from any and all liability, including judgments, civil penalties, refunds, attorney fees, court costs or lost business incurred by Cookie Lee as a result of the Consultant’s unauthorized representations or actions. This provision shall survive the termination of the Consultant Agreement.

4.5.2 - Income Claims

In their enthusiasm to enroll prospective Consultants, some Consultants are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Consultants may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Consultants may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Cookie Lee as well as the Consultant making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Therefore, when presenting or discussing the Cookie Lee opportunity or Marketing and Compensation Plan, a Consultant may not make income projections or income claims.

4.6 - Conduct At Cookie Lee Events

4.6.1 - No Selling or Recruiting at Cookie Lee Events

Selling and recruiting at Cookie Lee events is not permitted. These activities take away from the primary focus of the event, and can negatively reflect on the professional image of Cookie Lee as a company. You may, however, offer a business card and/or catalog.

4.6.2 - No Selling or Recruiting for other Companies at Cookie Lee Events

Cookie Lee Consultants shall not sell any products or recruit for any business during Cookie Lee events. This restriction most specifically applies to sales and recruitment efforts for any other direct sales or marketing program, regardless of the product category, including those that do not compete with Cookie Lee’s product line. This policy includes, but is not limited to:

- Fashion Week
- Dream Get Away Trip
- Business Opportunity Meetings
- Company sponsored Rallies, Field Development visits

A report of violation of this policy will be addressed on site, and the offending Consultant will be subject to expulsion from the event, exclusion from future events, or other Disciplinary Sanctions such as those outlined under section 9.1 of these policies.

4.6.3 - Alcoholic Beverages

To protect the good name and reputation of the Company and all of its representatives, we will not tolerate any displays of public drunkenness at any Company events. We want all of our Consultants to have fun and enjoy themselves, but remember that all Cookie Lee Inc. events are business functions. To respect the business nature of all training, recruiting and sales events, the Company will not serve alcohol at any such functions. The Dream Getaway Trip is a reward and a vacation, and as such, alcohol may be served. However, as always, we expect all attendees to behave in a responsible and dignified manner at all Company events, including the Dream Getaway Trip.

4.7 - Conflicts of Interest

4.7.1 - Non-compete Policy

Cookie Lee Consultants are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”), with the exception of those products in the same generic category as a Cookie Lee product or service that is deemed to be competing. Any type of jewelry item is considered to be in the same generic category as Cookie Lee’s jewelry and is therefore a competing product, regardless of differences in cost, quality, metallic content or type of jewel. (Consultants may not display Cookie Lee products or services with any other products or services in a fashion that might in any way confuse or mislead a prospective customer or Consultant into believing there is a relationship between the Cookie Lee and non-Cookie Lee products or services.)

4.7.2 - Nonsolicitation

During the term of this Agreement, Consultants may not recruit other Cookie Lee Consultants or customers for any other network marketing business. Following the cancellation of this Agreement, and for a period of one year thereafter, a former Consultant may not recruit any Cookie Lee Consultant or customer for another network marketing business if (a) that Consultant or customer was in the former Consultant’s Downline marketing organization or (b) the former Consultant met, developed a relationship with or gained knowledge of the Consultant or customer by virtue of their mutual participation in Cookie Lee. The term “recruit” means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another Cookie Lee Consultant or customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Consultant’s actions are in response to an inquiry made by another Consultant or customer.

4.7.3- Downline Activity (Genealogy) Reports

Downline Activity Reports made available for Consultant access and viewing at Cookie Lee’s official website, are considered confidential. Consultant access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Cookie Lee. Downline Activity Reports are provided to Consultants in the strictest of confidence and are made available to Consultants for the sole purpose of assisting Consultants in working with their respective Downline Organizations in the development of their Cookie Lee business. Consultants should use their Downline Activity Reports to assist, motivate and train their Downline Consultants. The Consultant and Cookie Lee agree that, but for this agreement of confidentiality and nondisclosure, Cookie Lee would not provide Downline Activity Reports to the Consultant. A Consultant shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with Cookie Lee or for any purpose other than promoting his or her Cookie Lee business;
- Recruit or solicit any Consultant or Customer of Cookie Lee listed on any report or in any manner attempt to influence or induce any Consultant or preferred customer of Cookie Lee to alter their business relationship with Cookie Lee;
- Use or disclose to any person, partnership, association, corporation or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former Consultant will return the original and all copies of Downline Activity Reports to the Company.

4.8 - Cross-Sponsoring

Actual or attempted cross-sponsoring is strictly prohibited. “Cross-sponsoring” is defined as the enrollment of an individual who or entity that already has a current Customer or Consultant Agreement on file with Cookie Lee, or who has had such an agreement within the preceding 12 calendar months, within a different line of sponsorship. The use of a spouse’s or relative’s name, trade names, assumed names or fictitious ID numbers to circumvent this policy is prohibited. Consultants shall not demean, discredit or defame other Cookie Lee Consultants in an attempt to entice another Consultant to become part of the first Consultant’s marketing organization. If a prohibited organization transfer occurs, Cookie Lee shall take disciplinary action against the Consultant(s) who engaged, acquiesced and/or knowingly participated in the improper cross-sponsoring. However, it shall be entirely within Cookie Lee’s

discretion where in the genealogical structure, the cross-sponsored organization in question shall be placed or otherwise distributed. Because equities often exist in favor of both upline organizations, CONSULTANTS WAIVE ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST THE COMPANY FOR ITS DECISION REGARDING THE FINAL DISPOSITION OR PLACEMENT OF THE CROSS-SPONSORED ORGANIZATION.

4.9 - Errors or Questions

If a Consultant has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the Consultant must notify the Consultant Care Department at Cookie Lee's headquarters in Tustin, California, in writing, within 15 days of the date of the purported error or incident in question. Cookie Lee will not be responsible for any errors, omissions or problems not reported to the Company within 15 days. No adjustments or refunds will be paid for \$4.99 or less.

4.10 - Excess Inventory Purchases Prohibited

Consultants are not required to carry inventory of products or sales aids. Consultants who do so may find making retail sales and building a marketing organization somewhat easier because of the decreased response time in fulfilling customer orders or in meeting a new Consultant's needs. Each Consultant must make his or her own decision with regard to these matters. To ensure that Consultants are not encumbered with excess inventory that they are unable to sell, such inventory may be returned to Cookie Lee upon the Consultant's cancellation pursuant to the terms of Section 8.1.

Cookie Lee strictly prohibits the purchase of products primarily for the purpose of qualifying for commissions, bonuses, Trips, or advancement in the Marketing and Compensation Plan. Consultants may not purchase more inventory than they can reasonably resell or consume, nor may they encourage others to do so.

4.11 - Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling program. Therefore, Consultants shall not represent or imply that Cookie Lee or its Marketing and Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

4.12 - Holding Applications or Orders

Consultants must not manipulate enrollments of new applicants and purchases of products. All Consultant Applications and Agreements and product orders must be sent to Cookie Lee within 72 hours from the time they are signed by a Consultant or placed by a customer, respectively.

4.13 - Identification

All Consultants are required to provide their Social Security Number to Cookie Lee on the Consultant Application and Agreement. Upon enrollment, the Company will provide a unique Consultant Identification Number to the Consultant by which he or she will be identified. This number will be used to place orders and track commissions and bonuses.

4.14 - Income Taxes

Each Consultant is responsible for paying local, state and federal taxes on any income generated as an Independent Consultant. If a Cookie Lee business is tax exempt, the Federal Tax Identification Number must be provided to Cookie Lee. Every year, Cookie Lee will provide IRS Form 1099-MISC (non-employee compensation) earnings statement to each U.S. resident who (a) had earnings of over \$600 in the previous calendar year or (b) made purchases during the previous calendar year in excess of \$5,000 wholesale. Cookie Lee cannot accept a tax exempt certificate from a consultant who resides in a state where tax exempt status is not granted for Direct Sales businesses. Consultants are encouraged to check with their state government before sending a form to Cookie Lee.

4.15 - Independent Contractor Status

Consultants are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between Cookie Lee and its Consultants does not create an employer/employee relationship, agency, partnership or joint venture between the Company and the Consultant. Consultants shall not be treated as an employee for his or her services or for federal or state tax purposes. All Consultants are responsible for paying local, state and federal taxes due from all compensation earned as a Consultant of the Company. The Consultant has no authority (expressed or implied) to bind the Company to any obligation. Each Consultant shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Consultant Agreement Form, and these Policies and Procedures, and applicable laws.

The name of Cookie Lee and other names as may be adopted by Cookie Lee are proprietary trade names, trademarks and service marks of Cookie Lee. As such, these marks are of great value to Cookie Lee and are supplied to Consultants for their use only in an expressly authorized manner. Use of the Cookie Lee name on any item not produced by the Company is prohibited except as follows:

Consultant's Name
Independent Cookie Lee Consultant

All Consultants may list themselves as an "Independent Cookie Lee Consultant" in the residential telephone directory ("white pages") under their own name. Consultants may not place telephone directory display ads in the classified directory ("Yellow Pages") using Cookie Lee's name or logo.

Consultants may not answer the telephone by saying "Cookie Lee," "Cookie Lee Incorporated," or in any other manner that would lead the caller to believe that he or she has reached the corporate offices of Cookie Lee.

4.16 - Insurance

4.16.1 - Business Pursuits Coverage

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries or the theft of or damage to inventory or business equipment. Contact your insurance agent to make sure that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy.

4.17 - International Marketing

Because of critical legal and tax considerations, Cookie Lee must limit the resale of Cookie Lee products and the presentation of the Cookie Lee business to prospective customers and Consultants located within the 50 United States of America. Consultants are authorized to sell Cookie Lee products and enroll customers or Consultants only in the countries in which Cookie Lee has announced are open for business in official Company literature.

4.18 - Laws and Ordinances

Consultants shall comply with all federal, state and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Consultants because of the nature of their business. However, Consultants must obey those laws that do apply to them. If a city or county official tells a Consultant that an ordinance applies to him or her, the Consultant shall be polite and cooperative, and comply with the law.

4.19 - Minors

Consultants shall not enroll or recruit individuals under the age of 18 into the Cookie Lee program.

4.20 - Actions of Household Members or Affiliated Individuals.

If any member of a Consultant's household, family, or other affiliated individual engages in any activity that, if performed by the Consultant, would violate any provision of the Agreement, such activity will be deemed a violation by the Consultant and Cookie Lee may take disciplinary action pursuant to the Statement of Policies against the Consultant.

4.21 - One Cookie Lee Business Per Consultant and Per Household

A Consultant may operate or have an ownership interest as a sole proprietorship in only one Cookie Lee business. No individual may have, operate or receive compensation from more than one Cookie Lee business. Individuals of the same family unit may not enter into or have an interest in more than one Cookie Lee Business. A "family unit" is defined as spouses, domestic partners and dependent children living at or doing business at the same address.

An exception to the one-business-per-Consultant rule will be considered on a case-by-case basis if two Consultants marry. Requests for exceptions to this policy must be submitted in writing to the Policies Department.

4.22 - Re-packaging and Re-labeling Prohibited

Consultants may not re-label or alter the labels on any Cookie Lee products, information, materials or programs in any way.

4.23 - Requests for Records

Any request from a Consultant for copies of invoices, agreements, Downline activity reports or other records/reports will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

4.24 - Sale, Transfer or Assignment of Cookie Lee Business

4.24.1 - A Cookie Lee business is a privately owned, independently operated business; the sale, transfer or assignment of a Cookie Lee business is not permitted.

4.25 - Separation of a Cookie Lee Business

In the event of a dissolution of marriage of a Cookie Lee Consultant, and a spouse, arrangements must be made to assure that any division of the business assets is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Consultants and the Company, Cookie

Lee will involuntarily terminate the Consultant Agreement.

4.25.1 - During the pendency of a divorce or dissolution, the Company shall treat the business according to the status quo as existed prior to the filing of the divorce or dissolution.

Under no circumstances will the Downline Organization of divorcing spouses be divided. Similarly, under no circumstances will Cookie Lee split commission and bonus checks between divorcing spouses. Cookie Lee will recognize only one Downline Organization and will issue only one commission check per Cookie Lee business per commission cycle. Commission checks shall always be issued to the individual whose name appears on the Consultant Agreement.

4.26 - Sponsoring

All active Consultants in good standing have the right to sponsor and enroll others into Cookie Lee. Each prospective Consultant has the ultimate right to choose his or her own sponsor. If two Consultants claim to be the sponsor of the same new Consultant, the Company shall regard the first application received by the Company as controlling. (Note: \$99 Kit Consultants must make their first qualifying wholesale jewelry purchase before they are eligible to sponsor new Consultants)

4.27 - Stacking

“Stacking” is strictly prohibited. The term “stacking” includes: (a) violating the one-business-per-household rule and/or (b) enrolling fictitious individuals or entities into the Cookie Lee Compensation Plan.

4.28 - Telemarketing

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have “do not call” regulations as part of their telemarketing laws. While you may not consider yourself a “telemarketer” in the traditional sense of the word, these regulations broadly define the term “telemarketer” and “telemarketing” so that your inadvertent action of calling someone whose telephone number is listed on the federal “do not call” registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, Consultants must not engage in telemarketing relative to the operation of their Cookie Lee businesses. The term “telemarketing” means the placing of one or more telephone calls to an individual or entity to induce the purchase of a Cookie Lee product or service, or to recruit them for the Cookie Lee opportunity. “Cold calls” made to prospective customers or Consultants that promote either Cookie Lee’s products or services or the Cookie Lee opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or Consultant (a “prospect”) is permissible under the following situations:

- If the Consultant has an established business relationship with the prospect. An “established business relationship” is a relationship between a Consultant and a prospect based on the prospect’s purchase, rental or lease of goods or services from the Consultant, or a financial transaction between the prospect and the Consultant, within the 18 months immediately preceding the date of a telephone call to induce the prospect’s purchase of a product or service.
- The prospect’s personal inquiry or application regarding a product or service offered by the Consultant within the 3 months immediately preceding the date of such a call.
- If the Consultant receives written and signed permission from the prospect authorizing the Consultant to call. The authorization must specify the telephone number(s) that the Consultant is authorized to call.
- You may call family members, personal friends and acquaintances. An “acquaintance” is someone with whom you have at least a recent first-hand relationship (i.e., you have recently personally met him or her). Bear in mind, however, that if you make a habit of “card collecting” with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling “acquaintances,” you must make such calls on an occasional basis only and not make this a routine practice.

In addition, Consultants shall not use automatic telephone dialing systems relative to the operation of their Cookie Lee businesses. The term “automatic telephone dialing system” means equipment which has the capacity to (a) store or produce telephone numbers to be called using a random or sequential number generator and (b) to dial such numbers.

SECTION 5 - RESPONSIBILITIES OF CONSULTANTS

5.1 - Change of Address or Telephone

To ensure timely delivery of products, support materials and commission checks, it is critically important that Cookie Lee's files are current. Consultants planning to move should email Cookie Lee corporate office, at addresses@cookielee.com, their new address and telephone numbers. To guarantee proper delivery, two-weeks advance notice to Cookie Lee is recommended on all changes.

5.2 - Continuing Development Obligations

5.2.1 - Ongoing Training

Any Consultant who sponsors another Consultant into Cookie Lee must perform a bona fide assistance and training function to ensure that his or her Downline is properly operating his or her Cookie Lee business. Consultants must have ongoing contact and communication with the Consultants in their Downline Organizations. Examples of such contact and communication may include, but are not limited to, newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail and the accompaniment of Downline Consultants to Cookie Lee meetings, training sessions, and other functions. Upline Consultants are also responsible to motivate and train new Consultants in Cookie Lee product knowledge, effective sales techniques, the Cookie Lee Marketing and Compensation Plan and compliance with Company Policies and Procedures. Communication with and the training of Downline Consultants must not, however, violate Section 4.2 (regarding the development of Consultant-produced sales aids and promotional materials).

Upon request, every Consultant should be able to provide documented evidence to Cookie Lee of his or her ongoing fulfillment of the responsibilities of a sponsor.

5.2.2 - Increased Training Responsibilities

As Consultants progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge and understanding of the Cookie Lee program. They will be called upon to share this knowledge with lesser experienced Consultants within their organization.

5.2.3 - Ongoing Sales Responsibilities

Regardless of their level of achievement, Consultants have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

5.3 - Nondisparagement

Cookie Lee wants to provide its Independent Consultants with the best products, compensation plan and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Consultant Care Department. Remember, to best serve you, we must hear from you! While Cookie Lee welcomes constructive input, negative comments and remarks made in the field by Consultants about the Company, its products or Compensation Plan serve no purpose other than to sour the enthusiasm of other Cookie Lee Consultants. For this reason, and to set the proper example for their Downline, Consultants must not disparage, demean or make negative remarks about Cookie Lee, other Cookie Lee Consultants, Cookie Lee's products, the Marketing and Compensation Plan or Cookie Lee's directors, officers or employees.

5.4 - Providing Documentation to Applicants

Consultants must provide the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become Consultants before the applicant signs a Consultant Agreement. Additional copies of Policies and Procedures can be found on the Cookie Lee website at www.cookielee.com, or from the Cookie Lee corporate office.

5.5 - Reporting Policy Violations

Consultants observing a policy violation by another Consultant should submit a written report of the violation directly to the attention of the Cookie Lee Compliance Department. Details of the incident(s), such as dates, number of occurrences, persons involved and any supporting documentation, should be included in the report.

SECTION 6 - SALES REQUIREMENTS

6.1 - Product Sales

The Cookie Lee Marketing and Compensation Plan is based upon the sale of Cookie Lee products and services to end consumers. Consultants must fulfill personal and Downline organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for Consultants to be eligible for commissions:

6.1.1 - Consultants who do not purchase at least \$300.00 in wholesale/commissionable jewelry within 12 months, starting the calendar month after their join date, and every anniversary thereafter, will be terminated, losing all rights and privileges as described in section 3.3.

6.2 - Suggested Retail Prices

Consultants are encouraged to sell Cookie Lee products at the suggested retail prices set by Cookie Lee Inc.

6.3 - Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

6.4 - Sales Receipts

All Consultants must provide their retail customers with two copies of an official Cookie Lee sales receipt at the time of the sale. These receipts set forth any consumer protection rights afforded by federal or state law. Consultants must maintain all retail sales receipts for a period of two years and furnish them to Cookie Lee at the Company's request.

Consultants must ensure that the following information is contained on each sales receipt: (a) the date of the transaction; (b) the date (not earlier than the third business day following the date of the transaction) by which the buyer may give notice of cancellation; and (c) the name and address of the selling Consultant.

Remember that customers must receive two copies of the sales receipt. In addition, Consultants must orally inform the buyer of his or her cancellation rights.

SECTION 7 - BONUSES AND COMMISSIONS

7.1 - Bonus and Commission Qualifications

A Consultant must be active and in compliance with the Agreement and these policies to qualify for bonuses and commissions. So long as a Consultant complies with the terms of the Agreement and these policies, Cookie Lee shall pay commissions to such Consultant in accordance with the Marketing and Compensation Plan. The minimum amount for which Cookie Lee will issue a check is \$10.00. If a Consultant's bonuses and commissions do not equal or exceed \$10.00, the Company will accrue the commissions and bonuses until they total \$10.00. A check will be issued once \$10.00 has been accrued.

7.2 - Commission Payments and Promotions

7.2.1 - Payments, Calculations, and Bonuses

Commissions will be mailed out by the 20th of each month. Consultants have the option of receiving commission checks by either direct deposit or U.S. Mail.

Commissions will be calculated according to the level for which a Consultant actually satisfied all of the requirements according to the Career Path rather than the highest rank or title achieved. Commission reports will be provided to consultants on-line, via web access.

7.2.2 - Promotions

Promotions are determined based on the recruiting and sales activity for each month and are calculated only after the month-end close. Therefore, if you meet the requirements for a promotion in the middle of a month, your promotion will be recognized by the company in the following month.

7.3 - Adjustment to Bonuses and Commissions

7.3.1 - Adjustments for Returned Products

Consultants receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to Cookie Lee for a refund or is repurchased by the Company, the bonuses and commissions attributable to the returned or repurchased product(s) will be (where possible) deducted in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from all Consultants who received bonuses and commissions from the sales of the refunded products.

7.4 - Unclaimed Commissions and Credits

7.4.1 - Consultants must deposit or cash commission and bonus checks within six months from their date of issuance. A check that remains uncashed after six months will be void. There shall be a \$15.00 charge for reissuing a check. These charges shall be deducted from the balance owed to the Consultant.

7.4.2. - Unused credits that remain on account ninety days after distributorship is terminated, may be, at the company's discretion, redeemed via a jewelry packet sent to the former Consultants's last-known address.

7.5 - Reports

All information provided by Cookie Lee in online or telephonic Downline Activity Reports, including but not limited to personal and group sales volume (or any part thereof), and Downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors, including the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by Cookie Lee or any persons creating or transmitting the information.

All personal and group sales volume information is provided "as is" without warranties, expressed or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use or non infringement.

To the fullest extent permissible under applicable law, Cookie Lee and/or other persons creating or transmitting the information will in no event be liable to any consultant or anyone else for any direct, indirect, consequential, incidental, special or punitive damages that arise out of the use of or access to personal and group sales volume information (including but not limited to lost profits, bonuses, or commissions, loss of opportunity and damages that may result from inaccuracy, incompleteness, inconvenience, delay or loss of the use of the information), even if Cookie Lee or other persons creating or transmitting the information shall have been advised of the possibility of such damages. To the fullest extent permitted by law, Cookie Lee or other persons creating or transmitting the information shall have no responsibility or liability to you or anyone else under any tort, contract, negligence, strict liability, products liability or other theory with respect to any subject matter of this agreement or terms and conditions related thereto.

Access to and use of Cookie Lee's online reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is." If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Cookie Lee's online reporting services and your reliance upon the information.

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SECTION 8 - PRODUCT GUARANTEES, RETURNS AND INVENTORY REPURCHASE

8.1 - Retail Sales

A retail customer who makes a purchase of \$25.00 or more has three business days (72 hours) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the Jewelry Order Form. When a Consultant makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the Consultant must promptly refund the customer's money as long as the products are returned to the Consultant in substantially as good condition as when received. Additionally, Consultants must orally inform customers of their right to rescind a purchase or an order within 72 hours and ensure that the date of the order or purchase is entered on the Jewelry Order Form. All retail customers must be provided with two copies of an official Cookie Lee sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

8.2 - Request to Return Inventory by Consultants

Cookie Lee does not provide for exchanges or returns, and considers all purchases by active Consultants as final, except:

- Manufacturer's Defects (see section 8.3 Repairs)
- Voluntary Termination (see section 8.2.2)
- Insider's Club. These items may be returned for retail credit within 20 days of invoice date with a completed Jewelry Return Form (enclosed with original shipment). Insider's Club items must be returned to the Corporate Office as described in section 8.4. Preordered and/or optional Insider's Club shipments are not returnable.
- Products received due to an error on the part of the Company must be reported within 10 business days and may be returned for full credit after the error has been verified by the Consultant Care Department.

Normal wear or accidental breakage by the customer or Consultant is not covered by our return policy. Any items tarnished or discolored from chemicals (i.e. hairspray; perfume) are not covered by our return policy.

8.2.1-Voluntary Cancellation of Contract—Return of Inventory for Refund

Requests by a Cookie Lee Consultant to return their inventory for refund, for any reason other than those listed under 8.2 above, will be treated as a request to voluntarily cancel that distributorship. If a Consultant wishes to return merchandise purchased within the last 12-month period, the Company shall repurchase the inventory and the Consultant's Agreement shall be canceled. A Consultant may only return products purchased by him or her that are in new and resalable condition. Upon receipt of the products, the Consultant will be reimbursed 90% of the wholesale cost of the original purchase price(s), not to include shipping charges. If the purchases were made through a credit card, the refund will be credited back to the same account. The Company shall deduct from the refund paid to the Consultant any commissions, bonuses, rebates or other incentives received by the Consultant derived from the sale of the returned merchandise. Further, the Company shall deduct from all Upline Consultants, commissions, bonuses, rebates or other incentives that were paid to the Upline Consultant(s) from the sale of the returned merchandise.

- Consultant must inform the company of intent to exercise the buy-back option within 10 business days of resignation notice.
- All products to be returned for refund under this provision must be approved in advance of shipment to Cookie Lee, by calling the Consultant Care Department (extension 1001).
- Consultant will be asked to submit invoices detailing the items to be returned.
- Upon approval from the company, returns may be sent to the company's Tustin headquarters and must be accompanied by an invoice copy for each item.
- Jewelry must be unused, clean, and in re-sellable condition.
- Jewelry must be in original container/packaging, with price tag/SKU tag intact
- Start-up kit and *Tote Bag* materials may also be returned.
- Other miscellaneous sales aids purchased at the Consultant's discretion are not returnable.

8.2.2 - Exclusions

This policy excludes items sold with the specific designation of "final sale, no return or buy back". This designation is used for deeply discounted special sales, all Outlet and Consultant Bonus Buy (CBB) items, and some seasonal items.

- Sales Aids and other miscellaneous, non-commissionable items are also excluded, when the purchase of these items were at

the sole discretion of the Consultant.

8.2.3 - Montana Residents

A Montana resident may cancel his or her Consultant Agreement within 15 days from the date of enrollment and may return his or her Starter Kit for a full refund within such time period.

8.3 - Repairs

The Company goal is to provide our Consultants with quality jewelry at a reasonable cost. Cookie Lee Inc. only accepts returns and repairs from our Consultants. All returns and repairs will be processed in accordance with our policies. The repair/replacement policy is as follows:

- a. Cookie Lee Inc. will replace, credit, or repair items at its sole discretion.
- b. Regular-priced items will be replaced for up to one year from the date of the original invoice. A dated invoice must accompany the return.
- c. Special sale items such as Outlet, seasonal, limited-offer and others that are offered as “final sale, no return or buy-back” can not be repaired or replaced.
 - Exception: Final sale items received broken and reported to Consultant Care within 10 business days from receipt will be replaced.
- d. The value of items that cannot be repaired or replaced will be credited to the Consultant, with the exception of “c” above, in the form of a credit for future purchase(s), based on the invoice price.
- e. A copy of the invoice/order must accompany all returns/repairs.
- f. When part of a set is defective, you must return the entire set in order to process your repairs (this includes all necklace, bracelet and earring sets). If one piece is defective, please return both earrings, all bracelets, etc.
- g. As a Consultant, it is your financial responsibility to ship your repairs and returns to Cookie Lee Inc. In return, the Company will ship your items back to you at our cost.
- h. All repairs must be handled through the corporate office.
- i. Include a completed Jewelry Repair Form with your items when shipping to our corporate location.
- j. If this process is not followed, items received will be returned to the Consultant.
- k. Allow up to three weeks for processing.
- l. Exceptions to this policy apply to certain items/pieces that are covered under a separate manufacturer’s warranty as noted in the catalog, on the website or in packaging literature.

8.4 - Procedures for All Returns

The following procedures apply to all returns for refund, repurchase or exchange:

- All merchandise must be returned by the Consultant who purchased it directly from Cookie Lee.
- The return must be accompanied by a completed and signed Jewelry Repair Form;
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned so as to avoid damage, and the best and most economical means of shipping is suggested. All returns must be shipped to the Cookie Lee Corporate Office with shipping pre-paid. Cookie Lee does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the Consultant. If returned product is not received by the Company, it is the responsibility of the Consultant to trace the shipment.

No refund, credit, repair or replacement of product will be made if the conditions of these rules are not met.

SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

9.1 - Disciplinary Sanctions

Violation of the Agreement, these Policies and Procedures or any illegal, fraudulent, deceptive or unethical business conduct by a Consultant may result, at Cookie Lee's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Consultant to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission checks;
- Forfeit of all bonuses, payments, incentives, awards, allowances, promotion(s), DGT points and Successorize points associated with the sign-up of a Downline Consultant in violation of these policies. Whether as a direct 1st level, or within the offending Consultant's lineage.
- Suspension of the individual's Consultant Agreement during the period when Cookie Lee is investigating any conduct allegedly in violation of the Consultant Agreement. This includes revoking ordering privileges, and may affect the Consultant's commissions, bonuses, promotion(s), incentives, awards, allowances DGT points and Successorize points.
- The withholding from a Consultant of all or part of the Consultant's bonuses and commissions during the period that Cookie Lee is investigating any conduct allegedly in violation of the Agreement. If a Consultant's business is canceled for disciplinary reasons, the Consultant will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Consultant Agreement for one or more pay periods;
- Involuntary termination of the offender's Consultant Agreement;
- Any other measure expressly allowed within any provision of the Agreement or that Cookie Lee deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Consultant's policy violation or contractual breach; or
- In situations deemed appropriate by Cookie Lee, the Company may institute legal proceedings for monetary and/or equitable relief.

9.2 - Grievances and Complaints

When a Consultant has a grievance or complaint with another Consultant regarding any practice or conduct in relationship to their respective Cookie Lee businesses, the complaining Consultant should first report the problem to his or her sponsor, who should review the matter and try to resolve it with the other party's Upline sponsor. If the matter cannot be resolved, it must be reported in writing to the Consultant Care Department at the Company. The Consultant Care Department will review the facts and determine if a policy violation has occurred and take appropriate action.

9.3 - Arbitration

Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association or other recognized arbitration service, under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Consultants waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the County of Orange, California, unless the laws of the state in which a Consultant resides expressly require the application of its laws, in which case the arbitration shall be held in the capital of that state. All parties shall be entitled to all discovery rights pursuant to the Federal Rules of Civil Procedure. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions, with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel that the American Arbitration Panel provides. The prevailing party shall be entitled to receive from the losing party, OR each party to the arbitration shall be responsible for its own, costs and expenses of arbitration, including legal and filing fees. 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 to arbitration shall survive any termination or expiration of the Agreement.

Nothing in these Policies and Procedures shall prevent Cookie Lee from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect Cookie Lee's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

9.4 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside in Orange County, State of California, unless the laws of the state in which a Consultant resides expressly require the application of its laws. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of California shall govern all other matters relating to or arising from the Agreement unless the laws of the state in which a Consultant resides expressly require the application of its laws.

9.4.1 - Louisiana Residents: Notwithstanding the foregoing, Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.

SECTION 10 - ORDERING

10.1 - Purchasing Cookie Lee Products

Each Consultant should purchase his or her products directly from Cookie Lee. If a Consultant purchases products from another Consultant or any other source, the purchasing Consultant will not receive the personal sales volume that is associated with that purchase.

10.2 - General Order Policies

On mail or fax orders with invalid or incorrect payment, Cookie Lee will attempt to contact the Consultant to obtain another payment. If these attempts are unsuccessful after five working days the order will be deleted and not processed. No C.O.D. orders will be accepted. Cookie Lee maintains no minimum order requirements. Orders for products and sales aids may be combined.

10.3 - Shipping and Back Order Policy

Cookie Lee will expeditiously ship any part of an order currently in stock. Backordered jewelry is shipped at Cookie Lee's expense but may not be combined with other items ordered.

10.4 - Confirmation of Order

A Consultant must confirm that the product received matches the product listed on the shipping invoice and is free of damage. Failure to notify Cookie Lee of any shipping discrepancy or damage within 10 days of receipt will cancel a Consultant's right to request a correction.

10.5 - Hours

Shipping orders may be placed by phone, Monday through Friday, from 7:00 a.m. to 6:00 p.m. Pacific Time, (holidays excluded) at (714) 259-5000 extension 1001. This information is subject to change.

10.6 - Payments

- All payments must be made at the time the order is placed.
- We accept Visa, MasterCard, American Express, Discover, as well as money orders.
- If you choose to use a money order, your order will not be shipped until the money order arrives.
- We do not accept checks or COD's.
- You may only use credit cards imprinted with your own name.
- We are unable to accept another person's credit card without a signed authorization form.
- Orders residing in the online shopping cart, unpaid at the end of the month will be deleted.

10.7 - General Procedures

- No changes or add-ons may be made to your order after it has been submitted.
- Shipments may not be combined.
- No third-party shipments.
- Month-end orders must be placed by the close of business on the last Cookie Lee business day of the month. (You may refer to the website and Cookie Connection for last day to order for each month.)
- Shipment problems or discrepancies must be reported to Consultant Services within 10 days of receipt of shipment.

10.8 - Phone Orders

- You may place phone orders at (714) 259-5000 ext.1001. Have your name, Consultant ID Number, shipping and billing information ready for your Consultant Service representative so that your order can be processed in a timely manner.

10.9 - Fax Orders

- Orders may be faxed to (800) 652-8884. Remember to include full credit card number and expiration date. Please use only black ink. If you wish, you may call Consultant Services at (714) 259-5000 ext 1001 to confirm receipt of a faxed order.

All fax or mail orders must include:

- Consultant ID number;
- First and last name;
- Shipping address;
- Telephone number;
- Shipment type (FedEx Ground, Overnight, etc.);
- Credit card number; and
- Quantity and stock number of jewelry.

10.10 - Online Orders

- Online orders may be placed by accessing the Cookie Lee website, www.cookielee.com.
- Log in to the Consultant Only section using your personal account password.
- Select the "Online Ordering" tab, then click on "Shop Online".

10.11 - Personal Shoppers

The personal shopper usually signs up with the intention of receiving a discount on purchases made for herself or himself or as gifts. Signing up as a personal shopper is often a tool used to give the customer an opportunity to receive the discount, as well as trying out the Cookie Lee business on a small scale. Your goal should be to eventually help this customer expand her enthusiasm for the product into a successful business.

- This order will be processed as a regular new sign-up. All points will be awarded to the new Consultant.

Also, please remember that prepaids will not be accepted for a new Consultant's first order.

SECTION 11 - PAYMENT AND SHIPPING

11.1 - Deposits

Cookie Lee recommends that Consultants receive payment for jewelry purchases from customers at the time of product delivery. Cookie Lee cautions against Consultants' accepting monies from retail customers to be held for deposit in anticipation of future deliveries.

11.2 - Declined Credit Card

Orders will not be shipped until your credit card is approved. We will attempt to contact you via phone and/or email; however, we will cancel your order if you do not respond within five business days or by last business day of the month, whichever occurs first. Orders residing in the online shopping cart, unpaid at the end of the month will be deleted.

11.3 - Shipping

- Shipping times are dependent upon seasonal fluctuations. The Company's goal is to process your regular shipment within one to four business days; however, during peak seasons, such as convention and holidays, this may not be possible.
- Please remember that in-house processing time is separate from shipping time.
- U.S. MAIL: Orders under \$100 retail value and four pieces or less may be shipped via U.S. mail. Please keep in mind that U.S. Mail is uninsured and not guaranteed to reach you by a specific date.
- U.S. MAIL TO APO/FPO ADDRESSES: To support our Consultants in the military, we will ship to APO/FPO addresses; however, we must comply with federal restrictions: All packages must be less than one pound, and all shipments are uninsured, non-traceable and cannot be guaranteed by a certain date. All packages must be sent through U.S. Mail.
- Standard shipping is FEDEX Ground. Upgraded shipping, such as "OVERNIGHT," "2-DAY AIR" is available at additional cost, at the prevailing FEDEX rates. Please note that these are business days.

11.4 – Insider's Club

The Cookie Lee Insider's Club is a fabulous program that allows members to build their inventory with EXCLUSIVE jewelry, and take advantage of amazing privileges, perks and gifts. Each month, members will receive an automatic shipment of new Insider's Club jewelry to spice up their inventory and help to book shows, increase sales and retain valuable repeat customers.

- You must sign up by the 23rd of the month to receive the next month's shipment. (For example, you must sign up by May 23, to receive June Insider's Club jewelry and membership perks.)
- Upon signing up for Insider's Club, you will be automatically billed approximately \$50–\$58 plus tax and freight charges every month. You may choose a "VIP" Insider's Club option, which doubles your monthly order to approximately \$100–\$115 plus tax and freight charges. "VIPs" also have the option to receive the current month's Hostess Special item with every shipment.
- Your credit card will be automatically billed for Insider's Club; we will never use pre-pays or retail credits for Insider's Club.
- Your Insider's Club jewelry will be shipped prior to the second Saturday of every month.
- Insider Club members have the option to request US Mail (\$3.00) or FedEx shipping (\$6.00). "VIP" orders must be sent via FedEx due to the increase in size and value. All Hawaii, Alaska, APO/FPO shipments are sent via Priority Mail (\$4.50).
- Freight charges are subject to change at any time without notice, and are based on the weight of the shipment, and prevailing FedEx/USPS rates.
- To ensure prompt delivery, invoices will be charged during the first week of the month.
- Only Insider's Club members in good standing have the exclusive option of reordering the current month's items starting on the second of the month. However, due to the nature of Insider's Club, supply is limited and availability for reorder is never guaranteed.
- You may return any jewelry item(s) in the shipment for full retail credit within 20 days of invoice date with a completed Jewelry Return Form. The Jewelry Return Form can be printed from the website under Online Ordering—Insider's Club. You will only receive retail credit for returned merchandise; we will not refund your credit card.
- To cancel your membership, you must call the Insider's Club Department at (714) 259-5000 ext. 1002. Our hours of operation are 8:00 a.m. PT–5:00 p.m. PT, Monday through Friday.
- You may cancel or make changes to your membership at any time, however, you must cancel or make changes to your membership by the 23rd of the current month in order to ensure the cancellation or changes are effective for the next month's shipment. If you cancel after the 23rd of the current month, you may still receive (and be charged for) the next month's shipment. THERE ARE NO EXCEPTIONS.

11.5 - Sales Taxes

In designing the Cookie Lee opportunity, one of our guiding philosophies has been to free Consultants from as many administrative, operational and logistical tasks as possible. In doing so, Consultants are free to concentrate on those activities that directly affect their incomes, namely, product sales and enrollment activities. To these ends, Cookie Lee relieves Consultants of the burdens of collecting and remitting sales taxes, filing sales tax reports and keeping records relative to sales taxes.

By virtue of its business operations, Cookie Lee is required to charge sales taxes on all purchases made by Consultants and remit the taxes charged to the respective states. Accordingly, Cookie Lee will collect and remit sales taxes on behalf of Consultants, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If a Consultant has submitted, and Cookie Lee has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be solely on the Consultant. Exemption from the payment of sales tax is applicable only to orders that are shipped to a state for which the proper tax exemption papers have been filed and accepted. (Note: Some states do not issue tax exempt certificates for Direct Sales businesses.) Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Cookie Lee is not retroactive.

11.5.1 American Indian—Tax Exempt Status

Native American Consultants may be sales tax exempt by providing copies of one of the following documents to Cookie Lee Corporate:

- Tribal Card
- Certificate of Indian Blood

Once these documents are received and processed, the Consultant's orders will no longer be taxed. That Consultant is then responsible for collecting tax on sales made off the reservation, and remitting to the appropriate state and local taxing authorities.

11.5.2 - Consultants may recover their sales taxes paid, in the following situations, by using the processes below:

a) Reseller's exemption

- When a would-be Consultant, faxes all documents to Consultant Care, along with the initial order, a copy of his/her Reseller's License and original Blanket Resale Certificate*, the tax on his/her initial order will be refunded after the forms are processed at the Cookie Lee Corporate Office.
 - Cookie Lee requires two business days to process the resale exemption.
 - The refund must be requested by calling Consultant Care at (714) 259-5000, ext. 1001, within 30 days of the initial order and applies to the 1st sale only.
 - Subsequent orders made before the tax exemption is processed, whether via the web, phone or fax, may not be adjusted.
- Note: The Reseller's License and the original Blanket Resale Certificate* must match Consultant name as it appears on Cookie Lee records/application.
- Consultants will be asked to re-certify with Cookie Lee, annually, by way of submitting current copies of the above forms when requested.

***Blanket Resale Certificate, in states where applicable, can be obtained from the same agency that issued the reseller's license.**

b) Fairs and other non-home show venues:

- Some fairs and craft shows mandate that they will collect tax on each sale. In these cases, Cookie Lee will refund the tax collected by the company, to the Consultant, when a request is made within 30 days of such an event and the following documentation is provided.
 - Itemized receipts from the Consultant, summarizing the items sold and the tax collected on each item. (This list must include item number, selling price, tax on order and last name of buyer.)
 - Documentation from the event/fair organizer as to the event/fair's sales tax policy and the amount of sales tax collected from the Consultant.
 - The amount collected from the Consultant must match the Consultant's itemized list.

c) Indian reservations

- Sales must be made on the reservation.
- In such sales, Cookie Lee will refund the tax that we originally charged, to the Consultant, when a request is made within 30 days after such a sale and if the following documentation is provided:
 - Itemized receipts from the Consultant showing item number, selling price and the name and address of the customer.
- Consultant will provide a copy, front and back, of the tribal card for each customer

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SECTION 12 - INACTIVITY AND CANCELLATION

12.1 - Effect of Cancellation

So long as a Consultant remains active and complies with the terms of the Consultant Agreement and these Policies and Procedures, Cookie Lee shall pay commissions to such Consultant in accordance with the Marketing and Compensation Plan. A Consultant's bonuses and commissions constitute the entire consideration for the Consultant's efforts in generating sales and all activities related to generating sales (including building a Downline Organization). Following a Consultant's termination for inactivity, or voluntary or involuntary termination of his or her Consultant Agreement (all of these methods are collectively referred to as "termination"), the former Consultant shall have no right, title, claim or interest to the marketing organization that he or she operated, or any commission or bonus from the sales generated by the organization. A Consultant whose business is terminated will lose all rights as a Consultant. This includes the right to sell Cookie Lee products and services and the right to receive future commissions, bonuses or other income resulting from the sales and other activities of the Consultant's former Downline sales organization. In the event of termination, Consultants agree to waive all rights they may have, including but not limited to property rights, to their former Downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former Downline organization.

Following a Consultant's termination of his or her Consultant Agreement, the former Consultant shall not hold himself or herself out as a Cookie Lee Consultant. A Consultant whose Consultant Agreement is terminated shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary termination).

12.2 - Involuntary Termination

A Consultant's violation of any of the terms of the Agreement, including any amendments that may be made by Cookie Lee in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary termination of his or her Consultant Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed or delivered to an express courier to the Consultant's last known address (or fax number), or to his or her attorney, or when the Consultant receives actual notice of termination, whichever occurs first.

12.3 - Voluntary Termination

A participant in the Cookie Lee Career Plan has a right to cancel, at any time, regardless of reason. Termination must be submitted in writing to the Company at its principal business address. The written notice must include the Consultant's signature, printed name, address and Consultant ID number. Consultants who have resigned may re-apply to become a Consultant with Cookie Lee after 12 months.

12.4 - Non-Renewal

A Consultant may also voluntarily cancel his or her Consultant Agreement by failing to maintain the Agreement annually. The Company may also elect not to renew a Consultant's Agreement. A Consultant who fails to purchase the minimum rolling 12-month purchases of \$300.00 will be considered to have voluntarily resigned, and to have been "inactive" for 12 months, and can therefore submit a new application in the following month.

To count as a Rolling and Career Recruit, a Consultant must be a Qualified Consultant. A Qualified Consultant is defined as a brand new recruit to the company who purchases \$500 retail or more in their first 12 months. A brand new *Unique* Consultant will only count once as a Qualified Recruit under each Upline. A returning Consultant who is re-signing under a different Upline will count as a Career and Rolling Recruit under that Upline, after a one-year waiting period from their termination date.

SECTION 13 - RETAIL AND ADVERTISING POLICY

RETAIL POLICY

Cookie Lee Inc. is a person-to-person sales company. Company policy prohibits the display or sale of Cookie Lee products in retail outlets, as described in the following paragraphs. This restriction includes “trunk shows,” with the exceptions indicated below. Catalogs and business cards may be distributed and displayed at all venues, including retail outlets and other places of business. We have instituted such policies to reinforce the home-based business focus of Cookie Lee Inc.

Consultants may not sell Cookie Lee products to any non-consultant persons, group or entity whose intent or purpose is to resell that product.

13.1 - Hair and Nail Salons

Consultants may show their jewelry in a hair or nail salon, in accordance with the following rules, provided there is no permanent display maintained. When displaying jewelry at any establishment, all Cookie Lee jewelry must be completely out of sight when the Consultant is not present.

- Consultants may display their business cards and catalogs at their station in the salon.
- Small, mobile jewelry displays are allowed at the Consultant’s station, as long as it is attended by the Consultant at all times. Example: A bracelet bar at a Consultant’s salon chair is acceptable during her shift, but a bracelet bar at the front desk or by the register is unacceptable.
- Consultants must be with their jewelry at all times. All jewelry must be taken down for the duration of any breaks and at the end of the Consultant’s work day.
- Consultants may not sell jewelry other than Cookie Lee jewelry.
- All rules apply to owners, employees and independent contractors of salons who are Cookie Lee Consultants. Any reported violation of this policy will be addressed by the Consultant Care Policies Department. Violators will be subject to the Policy Violation Procedures.

13.2 - Trunk Shows

A trunk show is a show that takes place in a business environment and is conducted in the same manner as an office show. It is a one- or two-day event hosted by the business owner, just as a friend would host a show in her home.

13.2.1 Requirements:

- Trunk shows may not be held in a retail establishment (including a kiosk).
- The Consultant must obtain permission from the business owner to conduct a show
- The Consultant must be stationed with the jewelry for the entire duration of the show.
- The trunk show must have no permanent displays and be conducted like an office show.
- Business owners may not hold or host their own trunk shows (e.g., if you are a Consultant and a business owner, you or another Consultant may not sell Cookie Lee jewelry at your establishment as a trunk show).

13.2.2 Trunk Shows

Consultants may hold Trunk Shows in some small retail locations with limitations. These limitations were put in place to maintain the intimate, one-on-one nature of our business and to avoid undermining the home shows in the nearby communities.

Here are the conditions for Trunk Shows in retail locations:

1. Duration is to be no more than one to two days, per quarter at the same location.
2. Consultant must stay with jewelry at all times.
3. Consultant cannot do a Trunk Show at the same location more than once a quarter.

Examples of approved locations are:

- Flower, gift shops
- Salons, spas
- Boutiques
- Coffee shops
- Bank lobbies
- Others as approved

Prohibited Locations

- Supermarkets
- 99 cent stores, discount stores
- Mall stores
 - a. Exception: holiday craft show in mall lobby, lasting one day or one weekend

Fax your Advertising Request Form to (800) 652-8884 or email policies@cookielee.com to approve a venue.

ADVERTISING POLICY

The Company firmly believes that each Consultant should have every opportunity to run their business as they wish, provided they adhere to the Cookie Lee “Golden Rule.” Although advertising can sometimes be an effective tool for increasing business, we want to ensure that we don’t lose the personal touch that makes us special. Advertising, if used unwisely, can be detrimental to the core values of direct sales. We would never want the advertisement of one Consultant to undermine the hard work of another Consultant. In accordance with this belief, we allow Consultants the opportunity to advertise and promote their business within certain parameters, outlined below. See also, Item 4 under the Specific Requirements listed below.

All advertisements other than corporate-provided materials and templates are required to be approved by the corporate office before distribution. When you promote your business to others, please be aware that any verbiage that contradicts the following specifications are in violation of our Advertising Policies and are subject to the Policy Violation Procedures. For advertising questions, please contact the Consultant Care Department.

13.3 - Required Advertisement Components

Full name and title must be printed as follows:

- First and last name, followed by the official title, “Independent Cookie Lee Consultant” (Note: You may include your Consultant level title.)
- Contact Information: Telephone number or the Consultant’s email address may be used.
- The following statement must appear as a footnote in each piece of promotional material containing the Cookie Lee Inc. trademark name or logo:
- “Cookie Lee is a registered trademark of Cookie Lee Inc. and is used under license.”

13.4 - Acceptable Advertisement Components

The following are acceptable examples:

- Email signatures containing the Cookie Lee trademark name or logo, providing that the words” Independent Cookie Lee Jewelry Consultant” are shown.

Example:

Ann Smith,
Independent Cookie Lee Consultant



- Standard discounts and offers quoted from the Cookie Lee catalog (e.g., “bring a friend, get a free gift”).
 - Special discounts or offers may be advertised solely to existing customers.
 - Your home address or the home address of someone else on invitations to a home show or open house
- Only invitations, business cards and other flyers that conform to the approved company format or templates may contain the Cookie Lee trademark name or logo without written authorization from the corporate office. You may not produce any other documents using the logo without written authorization.

13.5 - Prohibited Advertisement Components

- Specific claims of earning potential (e.g., “earn an extra \$500 a month” or “earn 50 percent profit,” etc.).
- Special discounts or offers that may not be advertised to the public or potential customers (e.g., “no start-up fee,” “40% off,” etc.) that could undermine another Consultant’s business..
- The Cookie Lee trademark name or logo, except on invitations, business cards or flyers that conform to company provided templates, as authorized by the corporate office.

13.6 - Item-Specific Requirements

You may utilize the following types of advertisements when adhering to the stated stipulations of each.

a. Business Cards

Consultants must use their full name followed by “Independent Cookie Lee Consultant.” All Cookie Lee business cards must be produced in the corporate format (example following). You may include a small photo of yourself to the left or right of the Cookie Lee logo as long as the photo is not larger than the corporate logo. Do not include any additional information or offer specials on your business cards.



b. Chamber of Commerce Listings

Consultants may join their local Chamber of Commerce, and be included in the Chamber’s directory (this includes online directories) in any one of the following ways.

- Mary Jones, Independent Cookie Lee Consultant
- Mary Jones, Fine Fashion Jewelry
- Actual size, facsimile of Consultant’s business card, per business card policies in Section 13.6a of Cookie Lee Policies and Procedures

c. Other Directories

Consultants may exhibit their business card in the following temporary/short duration publications.

- Church or school bulletins
- Mom’s clubs, bulletins or newsletters
- Homeowners association or neighborhood newsletters
- The listing must be an actual size, facsimile of Consultant’s business card (as per business card policies in Section 13.6a of Cookie Lee’s Policies and Procedures), and the publication cannot be of a permanent nature, such as school yearbooks.

d. Home/Office Show Flyers

Flyers may be used only to promote a specific event, such as home/office shows, open houses or recruiting rallies. These flyers may be mailed or passed out personally. You may use product descriptions or offers printed in any current Cookie Lee catalog. Only flyers sent to existing clients may contain a special discount honored solely by the Consultant. Please follow the Advertisement Policy and Procedures when producing flyers.

e. Special Event/Craft Show Flyers

Flyers may be used to promote a specific event and may only contain the Cookie Lee trademark name or logo when being distributed at and during the event. You may use product descriptions or offers printed in any current Cookie Lee catalog. Please follow the Advertisement Policy and Procedures when producing flyers.

f. Trademark

Cookie Lee is a registered trademark of Cookie Lee Inc.; therefore, Consultants may not duplicate the Cookie Lee trademark name without explicit authorization from the corporate office, except for invitations, business cards and company-provided templates. This includes, but is not limited to, the use of the Cookie Lee name or logo.

13.7 - Advertising on Vehicles

Cookie Lee has provided a logo sticker for your vehicle. You may put your name and contact information under the logo as long as the

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contact information is not bigger than the logo. Please do not add any other information to this type of advertisement (e.g., special discounts and offers). (For safety reasons, we recommend that you avoid personal contact information on your vehicle.)

- Magnetic Signs

Consultants may use magnetic car door signs on their vehicles, so long as they:

1. Conform to the corporate format of a business card. (See figure 13.6a above)
2. Are no larger than 12" x 24"
3. Do not offer special "deals"
4. Conform to all other advertising policies.

13.8 - Telephone Greetings and Recorded Messages

Consultants may not have a voicemail or answer the phone in a manner that would lead others to believe they have reached a corporate office of Cookie Lee Inc. You may say Cookie Lee as long as the statement "Independent Jewelry Consultant" is also stated. Example: "You have reached Mary Jones, Independent Cookie Lee (jewelry) Consultant."

13.9 - Personalized Checks

Cookie Lee's trademark name may be used, provided that the accompanying statement is printed as follows:

- Consultant's first and last name
- Independent Cookie Lee Consultant

13.10 - Acceptable Mediums of Advertisements

1. Flyers can be created by the Consultant and used to promote a specific event (e.g., home/office show, open house or recruiting rally), so long as they conform to the suggested format, as shown on the official flyer template. These flyers may be mailed or passed out personally (see the Item-Specific Requirements for details).
2. Vendor event programs distributed at the event may contain the Cookie Lee trademark name and the name of the Consultant at the event followed by the words "Independent Cookie Lee Consultant."
3. Business cards (see the Item-Specific Requirements for details).
4. Cookie Lee catalogs.
5. Emails to subscribed customers. Spam is not allowed.

13.11 - Prohibited Mediums of Advertisement

Consultants may not advertise to promote their Cookie Lee business in any of the following ways:

1. Promotional Items

Consultants are not allowed to produce or purchase from any business other than Cookie Lee Inc. any items with the Cookie Lee trademark name or logo, either for promotion or resale, except business cards and other corporate-approved items including, but not limited to, magnets, license plate frames, yard signs and so forth. (Consultants are able to purchase such items as banners, magnets, T-shirts, hats, visors, and so forth. through Online Ordering or via redeeming their Successorize points for promotional items only.)

2. Prohibited Mediums

Prohibited mediums of advertisement also include but are not limited to the following (for questionable or unlisted items, please contact the Consultant Care Department for approval):

- All mass media (e.g., movie theaters, newspapers, radio, television);
- Magazines promoting your Cookie Lee business or the Cookie Lee trademark name or logo;
- Outdoor signs (e.g., billboards, banners, window stenciling on homes, except those provided by Cookie Lee), except in the immediate vicinity of a home/office/trunk show, fundraiser or vendor event for the duration of the event;
- Internet, including but not limited to, non-corporate websites, web ads and unsolicited email messages (spam) and online auctions that promote Cookie Lee Inc.'s trademark name or logo.

- Exceptions:

1. Consultants may participate in online networking services, such as work from home directories and direct sales directories, so long as the listing is limited to the equivalent of a business card as shown in figure 13.6. That includes, any or all, or a combination of the following information:
 - a. Cookie Lee, fine fashion jewelry
 - b. Home and office shows
 - c. Career opportunities
 - d. Fundraisers

- e. Consultant name, Independent Jewelry Consultant
- f. Phone number
- g. email address
- h. CLICK Personal Web Page address

2. See also section 14.1 - Websites and section 15.3 - Special Event Advertising

- Hyperlinks to or from your Cookie Lee personal corporate website;
- Homeowners association newsletters (or the equivalent for apartment/condominium complexes) promoting the Cookie Lee trademark name or logo;
- Ads in church, school or sporting event programs (exception: an actual size Cookie Lee business card ad is allowed for church, school or sporting event programs promoting a one-time event);
- Yellow Pages telephone directory listings to promote your Cookie Lee business; and
- Yearbook ads.

13.12 - Unpaid/Unsolicited Stories or Interviews

Consultants may participate in unpaid, unsolicited stories or interviews such as television, radio and newspaper coverage. (Please note that unpaid, unsolicited news stories or interviews are not considered advertisements.) The Consultant must refer to themselves as an “Independent Cookie Lee Consultant” and cannot state nor imply Cookie Lee Inc. endorsement for any activity, association or belief. The following requirements must be adhered to:

- When mentioning your name in conjunction with Cookie Lee, you may only use the title of “Independent Cookie Lee Consultant” (e.g., “I’m Jane Doe, I am an Independent Cookie Lee Consultant selling fine fashion jewelry”). If mentioning the Cookie Lee trademark name, you may not solicit sales to you personally by providing your name and any personal contact information.
 - If approached by the television, news or print media to participate in an interview specifically about Cookie Lee Inc, including, but not limited to, the jewelry, Marketing and Compensation Plan, training or compensation, you must clear the interview with the Consultant Care Department in advance.
- Any reported violation of this policy will be addressed by the Consultant Care Department. Violators will be subject to the Policy Violation Procedures.

13.13 - Promoting or Advertising Your Jewelry Donation

Any acknowledgement by Consultant’s name of a donation of your Cookie Lee jewelry must be listed as follows: your name and Independent Cookie Lee Consultant. No listing or contact information is allowed on television or the Internet, or in newspapers, magazines or other mass media. Any acknowledgment for donations made to persons in the media must be approved by the Consultant Care Department.

Examples:

- Jewelry by Cookie Lee
- Cookie Lee jewelry provided by Mary Smith
- Cookie Lee jewelry donated by Mary Smith
- Jewelry courtesy of Mary Smith, Independent Cookie Lee Consultant

SECTION 14 – INTERNET, WEBSITES AND SOCIAL MEDIA

Social networking websites such as Facebook, Twitter, LinkedIn, or a blog can be used to promote your business to consumers and serve as wonderful networking tools.

Cookie Lee Inc. respects the rights of its Consultants and customers to use personal web pages, blogs and other social media tools not only as a form of self-expression, but also as a means to further their business. However, there is a big difference between speaking on “behalf of the company” and speaking “about” the company.

If a Consultant chooses to use any social network to help promote their independent Cookie Lee business to consumers the following guidelines must be followed:

1. The name of the social media account and any corresponding URL, including a blog or website, may NOT contain, “Cookie Lee Inc.” or variations thereof.
2. In order to benefit from certain social network search functionality you may use the following formats in creating the name of your business’ social network account name:

Long Account Name Examples for Social Media sites like Facebook:

- Jane Doe, Cookie Lee Independent Jewelry Consultant
- Jane Doe, Cookie Lee Independent Consultant
- Jane Doe, Cookie Lee Jewelry Consultant
- Jane Doe, Cookie Lee Consultant

Short Username Examples for Social Media sites like Twitter and YouTube:

- CookieLeeJane
- JaneCLJewelry

Web Site URL Examples for sites like Personal Web Pages or Blogs:

- www.CookieLee.biz/JaneDoe
- www.JaneDoe-CookieLeeConsultant.com
- JaneDoeCookieLeeConsultant.wordpress.com

You are not limited to using these formats or words for a website address or username, but these are the only acceptable formats if you want to use the Cookie Lee name.

3. You must disclose your full name and make a statement in a prominent place on your Facebook Wall, Facebook Info Tab, Twitter Bio, About Us/Me section, or social network account home page that identifies you as an Cookie Lee Independent Jewelry Consultant.
4. You may NOT imply you are an employee of Cookie Lee Inc.
5. PAID advertising is NOT allowed. This includes SOCIAL MEDIA and SEARCH ENGINE KEYWORDS.
6. Review section 13.5 – Prohibited Advertisement Components. These restrictions will be enforced on social media networking websites.
7. Cookie Lee Consultants must follow all of the terms and conditions set forth by the individual social network companies including all requirements for contests, sweepstakes, privacy, infringement, using social network logos and business conduct.
8. Any social media account that represents your individual Cookie Lee business may use links or embedding code to link to official Cookie Lee websites for product information, product videos, product images, information about the Cookie Lee opportunity or links to information shared on an official Cookie Lee social network account.

Official Cookie Lee websites include:

- <http://cookielee.com/>
- <http://connection.cookielee.com>
- <http://www.youtube.com/user/CookieLeeJewelry>
- <http://www.facebook.com/CookieLeeInc>

- i. Any other or future official Cookie Lee social media account or website

9. You may use badges, “follow me” icons, text, or social network logos for your own personal social network accounts, on personal emails, flyers, posters, car magnets, business cards or other printed materials in which you are the sole author and creator in addition to your Personal Web Page (www.CookieLee.biz). You must include your account name and/or URL and mention you are a Cookie Lee Consultant or Cookie Lee Independent Jewelry Consultant. You must make every attempt to prevent consumer confusion between your personal business social network account and any of the official Cookie Lee social network accounts.
10. If you choose to use a social network account to help promote your business, the acceptable images for a social network account profile, page profile or avatar is an image of yourself or another image that you own the rights to use. Cookie Lee corporate logos and copyright images are not to be used on social network sites (or any web site) to represent the profile of your personal business.
11. You may not use a social network to conduct transactions to sell Cookie Lee products. All online purchases must go through your Personal Web Page. You may promote your business and link to your Personal Web Page but no money should be exchanged for Cookie Lee products on a social network website.
12. If you choose to promote your Cookie Lee business on your own social networking web site, be mindful that all content you post reflects on your business and the Cookie Lee brand. Do not post any content or materials that are obscene, threatening, derogatory, disparaging and malicious or that infringe on or violate, in any way, any law or any right of any person or entity, or any other content that might in any way reflect poorly on you or Cookie Lee.
13. When directing visitors, followers, fans or friends on your social network account to your own personal Cookie Lee business website it must be evident from a combination of the link and the surrounding text that the link will be landing at the site of a Cookie Lee Independent Jewelry Consultant.
Attempts to mislead web traffic into believing they are going to the Cookie Lee corporate website or social network web page, when in fact they are being directed to a Consultant’s Personal Web Page will not be allowed. The determination as to what is misleading will be at Cookie Lee’s sole discretion.
14. Cookie Lee Consultants are personally responsible for their own postings as well as all online activity conducted on behalf of their business. Cookie Lee Consultants will be held fully responsible for any and all such activities. You may want to consider having separate personal and business social network accounts or a Facebook Page in addition to your Facebook Profile if you prefer to speak more freely online with your friends and family about non-business related matters.
Violation of these policies will result in disciplinary sanctions (see section 9.1)

14.2 - Using Social Media for Your Team or Downline

Social Media can be a great way to connect with your Team members and other fellow Cookie Lee Consultants. We encourage you to use this platform as a way to connect, encourage and communicate with other Cookie Lee Consultants. The same policies apply to a Facebook Page, Group, Twitter or other social media platform that is dedicated to the Downline of your business.

14.3 - Interacting with Official Cookie Lee Social Media

Cookie Lee wants to provide valuable information about our products, shows and opportunities on social networks. We want to provide helpful and relevant information to anyone who “Likes” or “follows” us. In order to create a communication environment that fosters a positive experience for everyone, it is necessary to set some specific guidelines for Cookie Lee Consultants.

1. Add comments, vote in polls, “Like” pages or comments, contribute to conversations, re-tweet messages, reply to messages, ask questions and try to be helpful to the social network community.
2. Share interesting posts, videos or tweets made by the official Cookie Lee social media accounts with your fans or followers on your own social network accounts. You can copy and paste a link to the information, use the built-in sharing functions on the social network. Do not post your own personal information such as your Personal Web Page URLs, social network account names or contact information in any of your comments. You are not to advertise your business or any other business on an official Cookie Lee social network site in any way. This includes behavior that would promote your business to other followers utilizing the official Cookie Lee account usernames as a part of your message. There is a distinct difference between acknowledging a username in a message and using it to draw attention for self promotion.
4. Do not contact anyone who “likes” or “follows” the official Cookie Lee social networks with the intent of soliciting business from them or encouraging them to “friend” or “follow” your social network accounts.
5. Do not post content that offers negative opinions or complaints about Cookie Lee. Consumers can see this information. Negative comments will make it harder for you and everyone else to do business. Instead, please contact your Upline or Consultant Care to resolve or discuss any issues regarding your business, Cookie Lee products, policies and procedures or any promotions. Cookie Lee may review all comments, photos and links, and may remove any that we consider inappropriate or offensive.

6. Be respectful of others' opinions while participating in social network discussions. It is natural to disagree on certain topics but it is important to listen and allow others to share their thoughts. When responding to a post or comment, please be respectful, professional and contribute to the positive communication environment that is expected of Cookie Lee Consultants.
7. Take steps to protect your privacy in a social network. Sharing personal information, future plans to not be at home, family details, etc., may not be appropriate to share online with people that you don't know. Frequently check your social network privacy settings.
8. Use sound judgment and common sense, by adhering to Cookie Lee's values and by following these policies and procedures. Do not post any content or materials that are obscene, threatening, derogatory, disparaging and malicious or that infringe on or violate, in any way, any law or any right of any person or entity, or any other content that might in any way reflect poorly on Cookie Lee.
9. Remember the Golden Rule: Treat others as you would like to be treated. We expect all Consultants to manage their businesses in a courteous and professional manner, guided by integrity. This is particularly important in social media—you rarely get a second chance with new contacts online.

Cookie Lee reserves the right to remove any comment for any reason on an official Cookie Lee social network account. Consequences of not following these guidelines will result in disciplinary sanctions (see section 9.1).

14.4 – Email

1. Consultants are permitted to send out email messages to an email club or email group that consists only of existing customers, Upline and Downline.
2. Consultants must provide a way for a recipient to opt-out of receiving further emails.
3. Consultants are not allowed to send out “spam” email. Spam is any unsolicited email to non-existing customers.
4. Emails may be sent to individuals requesting information on a Cookie Lee business.
5. The trademarked name or logo may be utilized in your email signature followed by “Independent Cookie Lee Consultant” (e.g., Jane Doe, Independent Cookie Lee Consultant”).

Any reported violation of this policy will be addressed by the Consultant Care Department. Violators will be subject to the Policy Violation Procedures.

14.5 – All Online Auctions Prohibited

Consultants are not allowed to use online auctions (e.g., eBay or Amazon.com) to sell jewelry, recruit new Consultants or advertise their businesses. All listings on eBay, or any similar venue, are strictly prohibited. Consultants will be terminated immediately for any participation in online auctions.

14.6 – Image Release

When a Cookie Lee Consultant or guest participates in an official Cookie Lee event, incentive trip, promotional trip, or visits Cookie Lee Headquarters, Distribution Centers, or Manufacturing areas, their presence gives Cookie Lee Inc. permission to take photos or video of their experience and use, reproduce, distribute, make changes to, prepare derivative works of, display and share this media on social networks, websites, and publications.

14.7 - Policy Enforcement

Cookie Lee will randomly audit social networking and other websites to ensure these guidelines are being followed. If you wish to report a violation, please contact Consultant Care. When a Cookie Lee Consultant uses their own social network account to promote their business inappropriately based on the policies provided, Cookie Lee shall have the right to suspend the Consultant's privileges and to insist on the Consultant's compliance with the applicable policy.

When a Cookie Lee Consultant participates in an inappropriate manner or takes action that is clearly not in compliance with the policies on an official Cookie Lee social network account, the comments, links, or photos will be immediately removed and the Consultant will be advised that such activities constitute a violation of their Consultant Agreement and that further violations could lead to suspension of the Cookie Lee Consultant's privileges.

Failure to adhere to all Cookie Lee policies and procedures may result in disciplinary sanctions (see section 9.1).

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SECTION 15 - SPECIAL EVENT/CRAFT SHOW POLICIES

History has proven that vendor events yield unpredictable results for direct sales consultants. While some shows may do very well, others do not. The Company firmly believes that home and office shows are the most effective and profitable way to promote your business; however, we do permit participation in special events and leave to Consultants the option of pursuing such shows at their own discretion. We do encourage Consultants to weigh the cost and benefits before signing up as a vendor at an event and to realize that it is very possible that they may actually lose money at certain shows. Also, as these special events are a different format arena than our home shows, we have created a specific set of guidelines to be followed when applying to and selling at special events.

A “vendor event” is defined by Cookie Lee Inc. as an event at which Cookie Lee jewelry will be sold along side other vendors’ products. The other vendors may be selling any number of other products, including jewelry. At these shows, vendor booths are rented by the Consultant for a fee. The shows are temporary and generally last anywhere from one to seven days. These shows may also be referred to as boutiques, fundraisers, fairs expos and craft shows. Consultants are not permitted to sell Cookie Lee jewelry at permanent venues, such as every day/every week flea markets and swap meets. For any question regarding the acceptability of an event, please contact the Consultant Care Department for final approval.

15.1 - Special Event/Craft Show Requirements

- You must register as an Independent Cookie Lee Consultant.
- Inform the organizer of the Cookie Lee advertising policies and limitations.
- If the event organizer advises that he or she cannot follow Cookie Lee’s advertising policies, the Consultant may not participate in the event.

15.2 - Special Event/Craft Show Guidelines

Please know that all such special events and shows are independent ventures and, as such, Cookie Lee Inc., cannot mandate how each event organizer(s) handles their shows.

- Cookie Lee Inc. cannot and will not attempt to mediate any disputes between the event organizer(s) and/or Consultants.
- We ask that you respect the host’s decision to have their choice of who, and how many, Consultant(s) are invited to participate at the show.

Cookie Lee believes that by following these guidelines and always presenting a professional image, you will protect the reputation of the Company, enhance your success and add to the likelihood that you will be chosen to do the show year after year.

15.3 - Special Event Advertising

Special vendor events are often advertised in the local newspapers and on the internet. In this ad, the organizers list the participants and/or companies. Cookie Lee Consultants may be included in these ads in one of the following ways:

- Cookie Lee Jewelry (with logo)
- Cookie Lee Jewelry offered by, Jane Smith, Independent Consultant (with logo)
- If more than one Consultant booth will be at the event, it should read:
 - Cookie Lee Jewelry, offered by Jane Smith, and Mary Jones, Independent Cookie Lee Consultants.
 - Only one name per booth.

Any links from the online ad from the Cookie Lee logo must only go to the corporate web site, not the Consultant’s own site.

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SECTION 16 - FUNDRAISERS

Selling Cookie Lee jewelry for a worthy cause is a win-win situation for both the Consultant and the charitable organization. Due to the nature of this endeavour, the utmost integrity must be maintained and funds promised to the charity must be tracked and delivered in a timely manner. Failure to do so will not only reflect negatively on Cookie Lee and all of our Consultants but could lead to serious ramifications for the Consultant in violation.

Flyers for Fundraising Events should include:

- Fundraising Catalog Show
 - a. Include dates
 - b. Charitable cause (can include brief description)*
 - c. Estimated delivery date of purchased jewelry
 - d. Name and contact information
- Fundraising Event
 - a. Include dates
 - b. Charitable cause (can include brief description)*
 - c. Estimated delivery date of purchased jewelry/or ability to buy at the event
 - d. Name and contact information

*Statement that “a percentage of the proceeds” will benefit this cause. Cookie Lee recommends that the actual amount not be publicized, and that the agreed upon amount not exceed 20%. Each Consultant is free to donate from her net proceeds any additional amount she chooses.

SECTION 17 - NON-COMPETE POLICY

Consultants are not allowed to sell other jewelry lines that compete with Cookie Lee jewelry. If you are in doubt about the acceptability of another product line or business you are selling, or planning on selling, please contact the Consultant Care Department. (Exception: Cookie Lee Consultants holding the position of National Trainers may not sell or represent any other direct sales company.) Any reported violation of this policy will be addressed by the Consultant Care Department. Violators will be subject to the Policy Violation Procedures.

ADDENDUM- ONLINE RETAIL SHOPPING

SECTION 1 - Introduction

These Policies and Procedures, in their present form and as amended at the sole discretion of Cookie Lee Inc. (hereafter “Cookie Lee” or the “Company”), are incorporated into, and form an integral part of, the Cookie Lee Consultant Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the Cookie Lee Consultant Application and Agreement Form, these Policies and Procedures and the Cookie Lee Marketing and Compensation Plan. These documents are incorporated by reference into the Cookie Lee Consultant Agreement (all in their current form and as amended by Cookie Lee).

1.1 - Changes to the Online Retail Shopping Policies and Agreement

Because laws and the business environment periodically change, Cookie Lee reserves the right to amend the Agreement and its prices at its sole and absolute discretion. The continuation of a Consultant’s Cookie Lee business or a Consultant’s acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.2 - Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Cookie Lee to exercise any right or power under the Agreement or to insist upon strict compliance by a Consultant with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Cookie Lee’s right to demand exact compliance with the Agreement.

1.3 - Delays

Cookie Lee shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders and acts of God.

1.4 - Requirements

To qualify to participate in Cookie Lee's Online Retail Shopping program, a Consultant must:

- Agree to all terms and conditions, outlined below in this Policy.
- Be an active Consultant in good standing.
- Have an active ProPay account.
- Have an active CLICK Web Tools subscription.

The Company reserves the right to reject or withdraw the Consultant's ability to receive online retail shopping orders.

SECTION 2 – Retail Sales Of Cookie Lee Products Via Website

2.1 –Benefits

Online retail shopping provides a service that allows shoppers (hereafter called "customers") to order from Consultants directly through Cookie Lee's website and CLICK Personal Web Pages. This service from Cookie Lee is provided to Consultants so that:

- Online orders are fulfilled by Cookie Lee Inc., and shipped from our distribution center directly to the customer.
- Consultants can take advantage of re-orders from customers.
- Consultants can limit the cost of carrying additional inventory.
- Customers can order online, at their convenience.
- Cookie Lee provides customer service through the Customer Care department via telephone: (714) 259-5050, or email: customercare@cookielee.com, for:
 - i. Product questions
 - ii. Order assistance
 - iii. Order taking
 - iv. Order tracking
 - v. Order error
 - vi. Exercise of warranty
 - vii. Claim resolution
 - viii. Other, as situations arise

2.2 –Terms and Conditions

Consultants must accept the terms and conditions as set forth in these policies and official Cookie Lee literature. These conditions are as follows:

1. Proceeds from retail sales will be divided:
 - 50% to Cookie Lee as wholesale cost
 - 35% profit to Consultant
 - 15% to Cookie Lee to cover fulfillment costs, web development and maintenance, credit card transaction fees, repairs, customer service, marketing, etc.
2. Consultant must be active and in good standing.
3. Have an active ProPay account.
4. Have an active CLICK Web Tools subscription.
5. Agree to retail warranty and repair policy (see Section 5).
6. Agree to clawback of commissions and payments for voided retail sales, or returned items (see Section 4).

2.3 - Errors or Questions

If a Consultant has questions about or believes an error(s) has been made regarding commissions, bonuses, or charges, the Consultant must notify the Consultant Care Department at Cookie Lee's headquarters in Tustin, California, in writing, within 15 days of the date of the purported error or incident in question. Cookie Lee will not be responsible for any errors, omissions or problems not reported to the Company within 15 days.

2.4 - Income Taxes

Each Consultant is responsible for paying local, state and federal taxes on any income generated as a result of retail commissions earned via online retail shopping sales.

2.5 - International Marketing

Because of critical legal and tax considerations, Cookie Lee must limit the retail sales of Cookie Lee products to customers located within the 50 United States of America.

2.6 - Rights and Status of The Customer

The Customer's right to privacy will be protected. Only basic contact information such as e-mail address will be provided to the Consultant. Home/delivery address will be excluded. Cookie Lee's philosophy is that the Consultant does not own the customer; rather, the Customer owns the Consultant.

- Customers will be given a choice to enter the name of a Consultant known to them, or choose a Consultant from a list provided by Cookie Lee.
- The assigned customer number will remain in effect until such time as the customer chooses a different Consultant.
- Customers may, at any time choose to order from a different Consultant. They will then become a customer of that different Consultant, and assigned a new customer identification number.

SECTION 3 – Product Sales

3.1 – Conditions of Sales

1. Suggested Retail Price- Products sold via online retail shopping to customers will be at the suggested retail prices set by Cookie Lee Inc. and/or as shown in the Cookie Lee catalog.
2. Orders will be transmitted via the web to Cookie Lee's distribution center in Houston, Texas, and from there shipped directly to the customer's address as entered by the customer.
3. Cookie Lee will collect sales taxes based on the suggested retail price of the products, applicable tax rates in the state, county, and local jurisdiction of the address to which the shipment is destined, and remit accordingly to the taxing entities.
4. Customers will not be allowed to purchase:
 - a. Cookie's Outlet items- These will not be visible to customers during online retail shopping.
 - b. Back-ordered items: Items on temporary backorder status will be indicated, and the customer will be referred to their Consultant or can choose to revisit the site and place an order at another time. In the case where an item is available for purchase and is found to be temporarily out of stock at the time of fulfillment, the item(s) will be shipped to the customer via USPS as soon as possible when inventory from the supplier is received by Cookie Lee.
 - c. Fast Fashion items
 - d. Insider's Club Items
 - e. Business Aids, including Logo Wear and Catalogs

3.2- Sales Receipts and Payments

- Customers will be assigned a "Customer id#" at the time of their first order.
 - We accept Visa, MasterCard, American Express, Discover
- Customers will receive an e-mail confirmation of the order placed, immediately upon completing their online retail shopping order. This confirmation will include:
- Customer id#
 - SKU and description
 - Retail price per unit
 - Quantity
 - Ship method
 - Last 4 numbers of credit card
 - Ship-to address
 - Shipping and handling fees
 - Totals, including tax
- The package will contain an invoice list of contents of shipment, and explanation of missing/delayed items

SECTION 4 – Bonuses and Commissions

4.1 - Bonus and Commission Qualifications

A Consultant must be active and in compliance with the Agreement and these policies to participate in the online retail shopping program, and to receive bonuses and commissions from online retail shopping sales. So long as a Consultant complies with the terms of the Agreement and these policies, Cookie Lee shall pay commissions to such Consultant in accordance with the Marketing and Compensation Plan, and these online retail shopping policies.

4.2 - Commission Payments and Promotions

1. Payments, Calculations, and Bonuses

Retail profit will be paid to the Consultant at the time of sale, directly to their ProPay account. These funds may be accessed by the Consultant via their ProPay account and/or debit card

2. Commissions

The wholesale amount (50% of retail list price) of all retail sales will count towards a Consultant's Personal Wholesale Volume (PWV). Commission reports will be provided to Consultants online, via web access.

3. Promotions

Promotions are determined based on the recruiting and sales activity for each month and are calculated only after the month-end close. The wholesale amount (50% of retail list price) of all retail sales will count toward a Consultant's Personal Wholesale Volume (PWV) for the purposes of rank advancement.

4.3 – Adjustment to Bonuses and Commissions

1. Personal Wholesale Volume (PWV)

- When a product is returned to Cookie Lee for a refund by the customer, the PWV attributable to the returned product(s) will be deducted in the same month the return was completed. Exception: Returns for refund received after the 22nd of the month will be held and later processed after the 1st of the following month.
- The PWV will be shown as a negative volume on Consultant reports, and at the time of monthly commissions preparation.

2. Clawback of Retail Profit

- Profit (35%) paid on retail sales will be forfeit to the company when a customer returns product(s) purchased.

4.4 - Reports

All information provided by Cookie Lee for online retail shopping sales is believed to be accurate and reliable. Nevertheless, due to various factors, including the inherent possibility of human and mechanical error; the accuracy, completeness and timeliness of orders; denial of credit card and electronic check payments; returned products; and credit card and electronic check charge-backs, the information is not guaranteed by Cookie Lee or any persons creating or transmitting the information.

All personal and group sales volume information is provided "as is" without warranties, expressed or implied, or representations of any kind whatsoever. In particular, but without limitation, there shall be no warranties of merchantability, fitness for a particular use or non infringement.

SECTION 5 - Product Guarantees, Returns and Refunds

5.1 - Request to Return Inventory by Customers

Cookie Lee provides a limited warranty that includes provisions for exchanges or refunds.

5.1.2- Return of Purchase for Refund

- Requests by customers to return their purchase for any reason for refund, will be accepted for up to 30 days from date of purchase. This includes:
 - Buyers remorse
 - Dissatisfaction with item
- The refund will be credited back to the customer's same credit card account. The refund will include the cost of the item, plus tax paid. The refund will not include the cost of shipping.
- Customers will be instructed to phone Cookie Lee's Customer Care Department for step-by-step return instructions.
- Returns must be sent to the company's Tustin headquarters and must be accompanied by an invoice copy for each item purchased.
- Jewelry returned for refund must be unused, clean, and in re-sellable condition.
- Jewelry must be in original container/packaging, with price tag/SKU tag intact

5.2 – Warranty for Manufacturer’s Defects

The Company provides quality jewelry at a reasonable cost. The repair/replacement policy is as follows:

- Cookie Lee Inc. will repair or replace items at its sole discretion.
- Items will be repaired or replaced for up to 90 days from the date of the original invoice. A copy of the invoice must accompany the return.
- Items received broken and reported to Customer Care within 30 days from receipt will be replaced. Customers may choose a refund in lieu of replacement within the first 30 days
- The value of items that cannot be repaired or replaced will be returned to the customer’s credit card used to make the purchase.
- A copy of the invoice/order must accompany all returns/repairs.
- When part of a set is defective, the customer must return the entire set in order to process repairs (this includes all necklace, bracelet and earring sets). If one piece is defective, customer will need to return both earrings, all bracelets, etc.
- Customers must ship repairs and returns to Cookie Lee Inc. In return, the Company will ship repaired/replacement items back to the customer at our cost.
- All repairs and returns must be handled through the Corporate Office.
- Normal wear or accidental breakage by the customer is not covered by our return policy. Any items tarnished or discolored from chemicals (i.e. hairspray; perfume) are not covered by our return policy.
- Exceptions to this policy apply to certain items/pieces that are covered under a separate manufacturer’s warranty as noted in the catalog, on the website or in packaging literature. The warranty on these items supersedes the Cookie Lee warranty.

5.3 - Procedures for Returns

- Proper shipping carton(s) and packing materials should be used in packaging the product(s) being returned so as to avoid damage.
- All returns must be shipped to the Cookie Lee Corporate Office with shipping pre-paid. Cookie Lee does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the customer. Insurance on the package is suggested. If returned product is not received by the Company, it is the responsibility of the customer to trace the shipment.

SECTION 6 - Reassignment of Customer(s) when a Consultant Terminates

6.1 - Effect of Termination or Inactivity

Following a Consultant’s termination for inactivity, or voluntary or involuntary termination of his or her Consultant Agreement (all of these methods are collectively referred to as “termination”), the former Consultant shall have no right, title, claim or interest to the customer(s) assigned to that Consultant. A Consultant whose business is terminated will lose all rights as a Consultant. This includes the right to sell Cookie Lee products and services and the right to receive future commissions, bonuses or other income resulting from purchases made by the Consultant’s former customers. In the event of termination, Consultants agree to waive all rights they may have, including but not limited to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former customers. For more information about Terminations, see Section 12 in this Policies and Procedures manual.

6.2 - Disposition of Customer Records Due to Inactivity, Termination and Cancellation of a Consultant

In the event of disqualification from the online retail shopping program, a Consultant’s customer accounts will be reassigned. Disqualification will happen in the following cases:

- Termination of active status with Cookie Lee Inc, including, Resignation, Cancellation, or Non-Renewal (Inactive Status)
- Failure to maintain eligibility requirements for the online retail shopping program, as outlined in section 1.4 of these retail policies, which include:
 - Failure to be an active Consultant in good standing.
 - Failure to have an active ProPay account.
 - Failure to have an active CLICK Web Tools subscription.
- When the customer of a terminated Consultant next visits the web to purchase Cookie Lee jewelry, they will be informed that the former Consultant is no longer accepting online retail orders with Cookie Lee. The customer will be directed to the nearest, active Upline Consultant in the former Consultant’s line, advised to choose a new Consultant from a list, or may enter the name of an alternative Consultant known to that customer.