

How Does the FRR Distributorship Work?

Flint River Ranch does not typically sell products directly to the general public. They accept customers only through the referral of distributors. Every direct purchase from that point forward is credited to the distributor who originally signed them up as a customer. ("Direct purchase" refers to purchases where customers submit their orders directly to Flint River Ranch rather than to a distributor.)

If a Flint River Ranch customer buys a lot of product, he/she can become an "Associate." Associates earn a 19% commission on the products they themselves buy with a minimum purchase amount every month of 100PV (**Personal Volume** - the PV value for each product is shown on the order form). It's kind of like a cash-back bonus for their own purchases.

People who market Flint River Ranch foods to attract new customers are "Distributors." Distributors who are responsible for the sale of 100 PV each month get a 19% commission check (just as Associates do), a report showing which of their customers ordered product that month, and a copy of the distributor newsletter. By signing up other customers, they increase their own Personal Volume and their commission checks are larger. Reaching the 100 PV is called "qualifying." Distributors who purchase product are considered to be customers also, and they receive the 19% commission on their own purchases as well as on the purchases of the customers they signed up.

Note: To "qualify," a combination of you and your customers must order 100PV of FRR product every month. If you are not responsible for the sale of 100PV of product every month, you will not qualify and you will not get a commission check for that month. You can order nothing for yourself and still qualify if your customers order at least 100PV in total.

Distributors who sign up other Distributors are called Senior Distributors. If you are a qualifying Senior Distributor and one of the Distributors you signed up also qualifies (makes his minimum 100 PV in a month), you get a bonus on the distributor's PV in addition to the 19% commission on your own PV. To keep the Senior Distributor status, you must qualify 6 out of 12 months in the Flint River Ranch fiscal year (July 1 to June 30). The Distributor you sponsor creates a "group" for you.

Here's how the bonus schedule works:

Let's say that Ann is an FRR distributor who makes her minimum 100PV to qualify and earns her 19%. Now one of her customers, Betty, has decided to become a distributor. Whether Betty qualifies or not, Ann gets 5% of Betty's PV (the 19% commission on Betty's PV now goes to Betty). That's normally \$5 or more if Betty qualifies. The vast majority of active distributors reach well beyond the 100 PV it takes to qualify so chances are Ann's bonus will be more than \$5. Ann has two other customers, Bob and Barry, who decided to become distributors, too, making three groups for Ann. These groups are all at level one. That will be important later.

If Betty qualifies, she earns 19% commission on her own PV. Ann gets 19% commission on her own PV plus a 5% bonus on Betty's PV. Now let's say that Betty sponsors Cathy. Cathy is now at group level one for Betty, and group level 2 for Ann. Cathy earns 100 PV, so she qualifies for her 19% commission. Betty makes 5% on Cathy's PV plus her own 19% commission. Ann makes 5% on Betty's PV plus 5% on Cathy's PV, along with her own 19% commission.

This chart will make things clearer:

Group Level	% Bonus
1	5
2	5
3	4
4	3
5	2
6	1
7	1
8	1
9	1
10	1

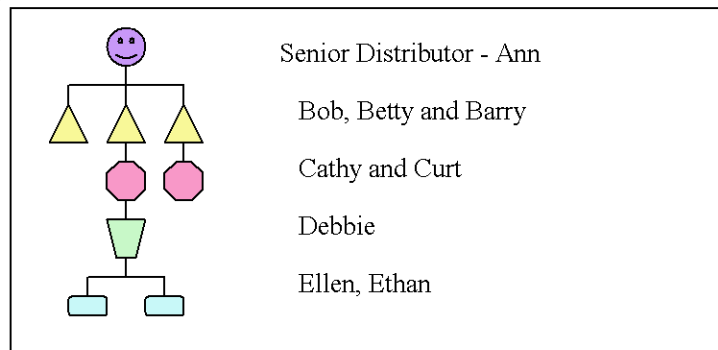
Using the example above with Ann, Betty and Cathy, Betty is on Ann's Group Level 1 and Cathy is on Ann's Group Level 2. If Cathy sponsors Debbie, Ann's bonus on Debbie's PV is 4%, and Betty's and Cathy's bonuses are 5%.

Assuming everyone earned exactly 100PV, let's add up the dollar amounts for what Ann earns at this point:

Her own 100 PV gives her \$19 (19% of 100)
 Betty's bonus adds \$5 (5% of 100)
 Cathy's bonus adds \$5 (5% of 100)
 Debbie's bonus adds \$4 (4% of 100)

Note: The number of monthly qualified Senior Distributor's separate Groups equals the number of levels down bonus income is paid. In the example above, in order to get the bonuses on Betty's and Cathy's sales, Ann would need at least two other direct-sponsored distributors below her, totaling three direct-sponsored distributors. Bonus income is paid to a maximum of ten levels regardless of the number of direct-sponsored distributors in your downline.

In this example, Ann would not get the bonus income for Ellen and Ethan because they are group level four, and Ann has only 3 direct-sponsored distributors. What if Betty failed to qualify one month? As long as Cathy did quality, Ann would still get bonus income for Betty's downline.



Assuming everyone only sold the MINIMUM PV required to earn a bonus, Ann makes \$33 that month. My own commission

checks are well over the \$19 minimum, and chances are, Ann's, Betty's, Cathy's and Debbie's are too. Most customers order anywhere from 8PV to 70PV (or more) per month each. If you and 9 customers each order 35 PV per month (enough food for a dog and a cat), that's \$66.50 in commissions. Imagine if Betty, Cathy and Debbie also have 9 customers and they each buy 35 PV per month -- that's \$133 every month, and all YOU did was sign up 9 customers and sponsor 3 distributors one month.

The biggest opportunity for income is in sponsoring new distributors who replicate your efforts in their own business. If you sign up five distributors and teach them what you know, and they each sign up five distributors who each sign up five distributors and so on, down to 5 levels deep, and everyone earns 200 PV per month (a very modest amount), your monthly income would total \$17,500. For distributors who build a business of six distributors wide and six distributors deep, imagine what you could do with their \$137,000 per month income!

I have 3 large dogs of my own, so I buy 40 lbs of dog food every three weeks, plus treats when I run out. That's 39-50 PV just from my own purchases (plus I buy sample packages to send to potential new customers). Some of your customers will buy that much as well, perhaps more if you sign up a breeder,

groomer or a veterinarian who sells FRR food from his or her office. It won't be long until your customer base pays for the food for your own pets. Many new distributors in their very first month earn enough to pay for their own pets' food!

You can see how easy it is to make extra money from a modest business in Flint River Ranch pet foods. And Flint River Ranch doesn't just sell pet foods - they sell toys, treats, leashes and grooming aids too, all of which have PV values so you earn commission on them.

The possibilities for earning residual income with a Flint River Ranch distributorship are endless. When you dare to dream, set your expectations higher than your current state, you motivate yourself to achieve great things. You can do this, and I will help you! As your sponsor I will

To become an associate or distributor, just complete the Associate Agreement and fax or mail it to Flint River Ranch. That's all there is to it! If you decide to market Flint River Ranch as a distributor, let me know so I can guide you. Or, if you just want to order product for yourself in bulk and earn that commission as a rebate on your own purchases, I want to make sure you have all the information you need to place your orders.