



THE HEALING CODES™ INSTITUTE

The Healing Codes™ Institute

Statement of Policy

Effective October 1, 2008

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The Healing Codes Institute STATEMENT OF POLICY

I. INTRODUCTION

The success of an Advocate's independent network marketing business is directly related to relationships with customers, sponsored Advocates and The Healing Codes Institute (the Company). A clear Statement of Policy promotes harmony in vital relationships, and ensures that equality of opportunity and fairness is available to all participants.

As a registered Independent Advocate, you agree to follow the spirit as well as the letter of the Statement of Policy. Your success is directly related to the service you provide to others.

You will find that adhering to the Statement of Policy will assist you in providing service, which in turn will lead to greater success and rewards.

The Company's Statement of Policy constitutes part of the Independent Advocate Application and Agreement and, when accepted by the Company, they, together with The Healing Codes Institute Compensation Plan and any other document incorporated by reference, form the Agreement between the Independent Advocate and the Company. The purpose of the Agreement is to authorize an individual to be an Independent Advocate of the Company and set forth the respective duties, responsibilities and obligations of all parties. You confirm this agreement each and every time you cash a Company commission check. It is with great anticipation of your success that we present you this Statement of Policy and urge you to follow it closely and completely.

II. CODE OF CONDUCT

Application to become an Independent Advocate of the Company requires that the applicant agree to conduct business according to the following Code of Conduct. This code ensures high standards of integrity and professionalism throughout the Company's network of Independent Advocates and protects the Company's overall business image.

Advocates will:

- a. Conduct their business in an ethical and professional manner;
- b. Make it clear that success in the Company's compensation program is based on retail sales rather than recruiting;
- c. Represent the compensation plan only as specified by the Company;
- d. Comply with applicable consumer protection laws and regulations;
- e. Provide bona fide training, motivation and support to Advocates in their organization.

Advocates will not:

- a. Engage in deceptive, unlawful, or unethical business or recruiting practices;
- b. Engage in high pressure selling or recruiting practices;
- c. Make misleading sales claims or guarantees concerning the Company or its products;
- d. Sponsor or enroll minors or persons who are not capable of making an informed decision;
- e. Conduct business activities in countries other than those approved by the Company;
- f. Disparage, demean, or make negative remarks about the Company, its Advocates, products, Compensation Plan, officers, directors, or employees;
- g. Seek in any way to violate or circumvent Company Policy.

III. COMPANY OBLIGATIONS

Advocates have a right to expect the Company to operate in accordance with the laws and practices that govern the person-to-person marketing / network marketing industry. The fiduciary relationship of trust between Advocates and the Company is fragile and the Company, as the primary steward of that relationship, has an obligation to be fair and equitable.

The Company will:

- a. Conduct itself in an ethical and professional manner;
- b. Administer its policy fairly, without prejudice or favor, to protect the interest of all Advocates;
- c. Compensate Advocates in accordance with the approved compensation plan;
- d. Process orders and ship products in a timely fashion;
- e. Provide Advocates the organization and volume information required to manage business activities;
- f. Comply with all laws governing the sale and distribution of products and the compensation of participants.

The Company will not:

- a. Guarantee success;
- b. Provide any commissions for the recruitment of others;
- c. Tolerate Advocates pressuring prospects into purchasing large quantities of inventory (see section VI);
- d. Tolerate misleading product claims;
- e. Tolerate Advocates "stocking-up" on products merely to obtain commissions (see section VI);
- f. Advise Advocates on meeting compensation qualifications;
- g. Terminate or suspend Advocates without due process;
- h. Represent that there is any substitute for hard work.

IV. DEFINITIONS

All Independent Advocates will better understand Company policy by understanding the basic terms commonly used in Company literature, the Statement of Policy and public presentations.

Active: An Advocate is considered active when they generate \$59.95PV in product business volume at least once every six rolling months.

Advocate: A person or legal entity currently authorized to purchase products at wholesale prices and participate in The Healing Codes Institute Compensation Plan. All Advocates register their desire to participate in The Healing Codes Institute Compensation Plan by completing an "Independent Advocate Application Form".

AutoShip: A predetermined order processed systematically, on a periodic basis, using an approved payment method on file with the Company.

Commission Period: The timeframe used to calculate commissions, both weekly and monthly.

Commissionable Volume (CV): The assigned value of each sold product on which commissions are paid. Sales aids usually have no CV.

DBA: An Advocate wishing to operate their Affiliation as a business entity, whether sole proprietor, partnership, corporation, or other form, must complete a- "Doing Business Under Another Name (DBA) Form" and submit it with requisite documentation to The Healing Codes Institute for approval. The Healing Codes Institute reserves the right to levy a \$100 fee, including penalties and administrative fees, to any Advocate signed up as fictitious entity that is not registered with the IRS.

Downline: All levels of Advocates sponsored by or originating from a particular Advocate for whom, subject to qualifying sales, the Company provides compensation.

Enrollment Sponsor: An Advocate who personally enrolls another individual as an Advocate.

Placement Sponsor: Direct upline of the newly recruited Advocate.

Frontline: Any first level Advocate, whether sponsored or placed.

Household: Spouses/Significant others and dependent children.

Leg: A leg begins with an Advocate placed frontline.

Monthly Personal Volume (PV-AD): The total point value (PV) accumulated by an Advocate within any given commission period.

Personal Group Volume (PGV): The total point value (PV) accumulated by an Advocate's entire organization.

Orphan: Applicant without a Sponsor.

Pay Rank: The actual rank an Advocate qualifies to be paid as in The Healing Codes Institute Compensation Plan during a given commission period.

Title Rank (Title): The highest achievement rank an Advocate ever attains in The Healing Codes Institute Compensation Plan.

Point Value (PV): A value assigned to products used to establish eligibility to qualify for commissions under The Healing Codes Institute Compensation Plan.

Preferred Customer: Preferred Customers are end consumers who do not participate in the compensation plan, but are shipped product directly from The Healing Codes Institute.

Retail Customer: Customers that purchase from The Healing Codes Institute.

Qualified/Eligible Advocate: An Advocate who meets the monthly sales volume and organizational activity required to generate commissions.

Rollup: The process by which an Advocate's organization reconnects to his/her Placement Sponsor's organization after the voluntary or involuntary cancellation of the Affiliation.

Upline: The line of Sponsors that links an Advocate to the company and who, subject to qualifying sales, may earn commissions on that Advocate's sales activities.

V. AFFILIATION

Affiliation does not constitute the sale of a franchise or distributorship. A person will initially be awarded an Affiliation as an individual. If Advocates meet the requirements listed below, their Affiliation may be converted to a bona fide business entity such as a partnership, corporation or D.B.A. However, no Household shall be awarded more than one Affiliation.

A. Independent Status:

1. Advocates are independent contractors.
2. An Advocate's decision to enter into this Agreement does not create an employer/employee relationship, agency, partnership, franchise, or joint venture between the company and the Advocate.
3. Advocates must abide by all laws, rules and regulations pertaining to the acquisition, receipt, holding, selling, distribution and advertising of Company products and business opportunity.
4. Advocates are solely responsible for declaration and payment of any associated taxes or fees.
5. Advocates are solely responsible for supplying any equipment, supplies, or services necessary for operating their business.
6. Advocates provide their own place of business and determine their own work hours.

B. Application Requirements:

1. Applicants must be of contractual age (18 or older).
2. Applicants agree to abide by the official Company Statement of Policy and warrant that they understand the compensation requirements specified in The Healing Codes Institute Compensation Plan.
3. Applicants must accurately complete and submit a signed Advocate Application & Agreement Form to the Company.
4. For income reporting purposes, the Company is required by US Federal law to ask the Applicant for a Social Security Number. Under its right of contract, the Company declines to grant an Advocate position to an unnumbered person.
5. By reference, the terms on the Advocate Application & Agreement are incorporated herein and form part of this Statement of Policy.

C. Application Processing:

1. The Company reserves the right to accept or reject any applicant and is under no obligation to offer any reason for rejection.
2. The Sponsor and the applicant are solely responsible for the completion of the Independent The Healing Codes Institute Advocate Application and Agreement.
The Company will reject incomplete or faulty applications, and is under no obligation to notify the Sponsor or the Applicant of a rejection.
3. When an Application is submitted by fax or through the Internet via The Healing Codes Institute website or an authorized Advocate Portal, an original Application does not have to be submitted. Otherwise, until an original, signed Application is received, the Company reserves the right to withhold services from the Advocate.
4. Advocates are solely responsible for notifying the Company, in writing, of any changes in their personal information (including shipping address, email address, marital status, etc.).

D. Advocate Identification:

1. A unique Advocate Identification Number (Advocate ID) will be automatically issued upon enrollment and is to be used for enrolling other Advocates and ordering products.
2. The ID must be referenced in all correspondence with the Company.

E. Falsified Registration:

1. Submission by an Advocate of an Application and Agreement for another individual, without that individual's permission and bona fide signature, is illegal and strictly prohibited.
2. Such registration will result in the cancellation of the applicant's account, and may subject the Advocate to termination of their affiliation and legal and/or civil consequences.
3. Any person who submits false information on their Application and Agreement will have their affiliation privileges revoked; legal and/or civil consequences may result.

F. Multiple Affiliations:

1. Advocates or households may not maintain more than one affiliation. This applies also to partial or whole interest in an Affiliation that is a DBA entity.
2. A "household" includes the Advocate's spouse and dependent children.
3. Individual rent-paying tenants, roommates, or adult children (18 years or above, not considered a dependent for tax purposes) living in an Advocate's home are not considered part of the Advocate's household and may be enrolled as separate Advocates, but must be placed frontline to the original Advocate residing at that address.

G. Affiliation Duration:

1. The term of the Affiliation is one year from the date an Application is accepted by the Company.
2. To remain in Active status, an Advocate must generate a minimum \$59.95PV during a six (6) consecutive month period.
3. To be eligible to participate in the Company's Compensation Program, the Advocate must meet all monthly or weekly qualification requirements.
4. Given that an Advocate remains in compliance with the Company's Statement of Policy, he/she will be entitled to renew his/her Affiliation.
5. Advocates that are inactive for a consecutive 6-month period may be removed from the system and any organization under the Affiliation will roll up to their immediate up-line.

H. Doing Business as an Entity (For-Profit or Non-Profit):

1. The Company accepts initial applications from individuals only.
2. An application may be transferred from an individual to an entity upon submission by the Advocate of a completed Doing Business Under Another Name (DBA) form and the supporting documentation (IRS acceptance certificate, Articles of Incorporation, etc).
3. By accepting the opportunity to conduct their affiliation as an entity (corporation, LLC, trust, partnership, etc.), Advocates understand that the actions of the entity owners, shareholders, officers, directors, trustees, beneficiaries, agents, employees or other related or interested parties, which are in contravention to The Healing Codes Institute's policies, shall be attributable to the entity. In the event that any of the above mentioned shall terminate ownership interests in the affiliation, any breaching actions by such parties that continue to have a beneficial financial interest, directly or indirectly, in the affiliation shall be attributable to the affiliation.
4. Non-profit organizations are also required to submit a DBA form along with proof of their status, and are limited to one Affiliation; multiple individuals may not enroll using the organization's tax identification number. As an Independent Advocate, it is the organization's responsibility to comply with all tax regulations.
5. By reference, the terms of the DBA Form are incorporated herein and form part of this Statement of Policy.

I. Sponsoring Rights and Responsibilities:

1. Advocates have the right to sponsor others within authorized territories.
2. As Sponsors, Advocates must fulfill the obligation of performing bona fide supervisory and training functions in the marketing of products and program benefits.
3. Advocates must not make exaggerated claims of financial rewards during marketing presentations. The Advocate is responsible for substantiating any claims he or she makes.
4. Advocates are compensated for the products sold and distributed through their personal efforts and those of their sales and marketing organization. Advocates are never compensated for the mere act of sponsoring.
5. The sale of products to end consumers is the basis of the Company's program and must be emphasized in all recruiting presentations.

J. Changes in Sponsorship: REVIEW ENROLLMENT/PLACEMENT

1. A Sponsor may elect to transfer a personally enrolled, 1st level, new Advocate to another Advocate, if all of the following conditions are met:
 - a) The request is placed within the new Advocate's first commissionable month of enrollment.
 - b) The new Advocate's volume does not exceed \$99.95PV-AD
 - c) The new Placement is within the pay line of the original Sponsor's organization.

d) The placement change request includes the written approval of the seven (7) direct active up-line Advocates and that of the Advocate being transferred.

2. Once a written request is submitted and approved, the new direct up-line of the transferred individual permanently becomes the Sponsor. No additional transfers will be permitted.

K. Sale, Transfer, or Assignment of Affiliation Rights:

1. An Affiliation may be sold, transferred or assigned with prior Company approval, which will not be unreasonably withheld.
2. To be considered, all transactions must maintain the integrity of the organizational genealogy.
3. The Advocate agrees to give the Company the first right of refusal to purchase the Affiliation under the same terms as the original offer
4. If the Company chooses not to accept, the Advocate's Sponsor will be given the opportunity to make an offer or find a purchaser, under the original terms, within a 30-day period.
5. Company approval of a proposed sale, transfer, or assignment must be in writing.

L. Separation or Dissolution of Partnership/Marriage:

1. Should a partnership or marriage dissolve, the parties must submit to the Company a written notification (signed by both parties), or a legal decree, regarding the disposition of the Affiliation.
2. Until notification, commission checks and bonuses will be payable in accordance with the Advocate Application & Agreement on file.

M. Beneficiaries of Affiliation:

1. Upon death or incapacity, the benefits of this Agreement shall inure to the Advocate's heirs or successors in interest and the obligations and benefits of this Statement of Policy shall be binding upon the respective successors, upon completion of a new Advocate Application & Agreement.
2. In the event of death, the designated beneficiary shall provide the Company with a certified copy of the deceased Advocate's final will and testament (or probate decision in absence of a will) along with a certified copy of the Death Certificate.
3. In the event of an extended probate, the legal representatives of the deceased Advocate should contact the Company to discuss how to proceed.

N. International Affiliations:

1. Advocates interested in participating in other international The Healing Codes Institute ventures should contact their local office to obtain instructions.
2. Advocates may only conduct business in countries where the Company is currently authorized to conduct business. This includes prospecting, lead generation, and product sales activities.
3. Legal requirements differ for each country, so Advocates should not assume that Affiliation requirements are the same worldwide.
4. Advocates are subject to the policies and procedures set forth by the Company in each country.
5. Advocates must utilize only authorized distribution channels to build their marketing organizations.

O. New Market Development:

1. The Company has the sole responsibility of contacting and coordinating with government or legal agencies for the purpose of initiating the approval process to introduce The Healing Codes Institute products to any country. Advocates, or their personal contacts, are prohibited from contacting any agency on the Company's behalf without express, written authorization from the Company.
2. Advocates may not individually import, export or distribute products or business building tools to any country.
3. Advocates understand that conducting any pre-launch activity in countries not officially open for The Healing Codes Institute business is against Company policy and may be illegal in some countries.
4. Violators of this policy shall be subject to the laws governing that specific country, to termination of their Affiliation, and to legal prosecution to recuperate any loss or damage to the Company.

P. Orphans:

1. Tuitions will not be accepted from anyone who does not have a Sponsor.
2. If the Company receives inquiries from the public about its products and opportunity, it will attempt to ascertain whether contact resulted from an Advocate's sponsoring efforts and, if so, the inquiring party will be referred to that Advocate.
3. Other prospects, who have simply heard of the Company without any discoverable contact with an Advocate, will be referred to an Active Advocate pursuant to the Company's lead distribution policy.

Q. Voluntary Cancellation:

1. Advocates may cancel their Affiliation at any time with a signed and dated letter indicating their intent to discontinue their Affiliation. Telephone or email cancellation will not be accepted.
2. Any downline organization affected by the resignation shall be transferred to the resigning Advocate's immediate upline.
3. Once an account has been cancelled, the former Advocate is ineligible to re-apply for a new Affiliation, either as an individual or part of an entity, for six (6) months from the date of cancellation.
4. An individual who cancels his/her Affiliation and elects to reapply for a new Affiliation after the required waiting period, may reapply under the Sponsor of his/her choice, provided he or she was in good standing at the time of his or her voluntary resignation. All ranks, achievements, or downline from the original Affiliation will be forfeited.

R. Involuntary Termination:

1. The Company may terminate an Advocate at will if any provision of this Statement of Policy is violated.

S. Advocate/Employee Relations:

1. Company employees are trained to be courteous and professional in all contact with Advocates and the public.
 - a. Should an Advocate ever receive less than respectful treatment from Company personnel, they should document the situation and forward it to the Compliance Department for immediate review.
2. Advocates are expected to extend these same courtesies when dealing with corporate staff, via telephone, Internet, or in person.
 - a. Company employees are not required to endure abusive behavior from Advocates, and whenever employees feel this is occurring they are instructed to politely end the conversation, document the incident, and report it to a supervisor.
 - b. Documentation will be forwarded to the appropriate executive officer for review.
 - c. In severe circumstances, offending Advocates may be subject to immediate termination.
3. To avoid any conflicts of interest
 - a. Advocates may not sponsor Company employees into the program. Such attempts may be viewed as hostile and may result in termination of the Advocate and/or the employee.
 - b. Staff may not accept any personal gifts from Advocates.

VI. COMPANY PRODUCTS & SERVICES

The Company opportunity is built upon retail sales to the end consumer. The Company recognizes that Advocates may wish to purchase products in reasonable amounts for their own personal use and such sales are recognized as bona fide retail sales. However, Advocates must certify that over 70% of previously purchased company products have been sold or consumed before further products can be ordered (this is commonly referred to as the 70% Rule). Advocates may be asked to verify retail sales with written, Company-authorized sales receipts which, by reference, become part of this Statement of Policy. The Company reserves the right to decline an Advocate's orders if verification cannot be confirmed.

A. Ordering Products & Services:

1. The Company will accept orders for products and services from Advocates only when a valid Advocate Application & Agreement is on file.
2. Tuitions are accepted via telephone, facsimile, mail or the Advocates' section of the official Company website.
3. Initial orders may not be in excess of \$2500. Subsequent orders may be subject to verification of the 70% Rule.
4. When submitting orders to the Company, Advocates must use official Order Forms, which must be accompanied by

authorized payment covering the order amount, shipping, handling and tax. Multiple Advocates cannot combine two or more orders on the same form.

5. Accepted payment methods are noted on the Order Forms. Separate payment must be included for each order submitted. Orders will be delayed if insufficient payment is enclosed.
6. The Company is not responsible for any delays caused by illegible or incomplete information or insufficient payment; neither is the Company responsible for notification of said delay.
7. Unless otherwise indicated, products and services are processed at Advocate Wholesale Price.
8. The Company has established a Suggested Retail Price (SRP) as a recommendation for selling a particular product or service to retail customers.
9. Sales tax will be assessed on the SRP for all orders, in accordance with the tax laws of each state.
10. Orders are credited to the commission period in which they are received, provided that proper payment is also received.
11. For an order to be credited to a given commission period, it must arrive by 11:59:59 p.m. (PT) on the final day of the commission period.
12. It is the sole responsibility of the Advocate to verify receipt of the order and ensure that the order is received in time to meet the deadlines for weekly and/or monthly commission periods. In the event of disagreement, the Company's timepieces will prevail.
13. The Company will correct any charge errors reported within 45 days, but will not be responsible for any errors or omissions not reported within 45 days.
14. By reference, the provisions on the Order Form(s) are incorporated into this Agreement.

B. AutoShip:

1. For convenience, the Company delivers via an AutoShip program to assist Advocates in managing their inventory and meeting their monthly Compensation Plan qualifications.
2. Advocates may enroll in the AutoShip Program by submitting a signed and completed AutoShip Agreement to the Company.
3. Advocate AutoShip orders are processed on the 5th, 10th, 15th, 20th, or 25th day each month and, subject to processing volume, Advocates will be allowed to specify one of the above processing dates.
4. AutoShip orders may be modified on a periodic basis. If a request for modification or cancellation is received less than ten (10) business days prior to the scheduled shipment, the changes will become effective the following month.
5. It is the Advocate's responsibility to ensure that the payment method on file for an AutoShip order is current and the account has sufficient funds to cover the transaction. If the payment is declined more twice, the Advocate's AutoShip profile will be cancelled. The Company will not assume responsibility for any commissions that are forfeited due to cancellation.
6. By reference, the AutoShip Agreement is incorporated into this Statement of Policy.

C. Preferred Customer Programs:

1. The Preferred Customer Program has been designed to assist Advocates in managing and servicing their retail customer base.
2. The primary relationship in these transactions is between the Advocate and their Preferred Customer. The role of the Company is that of third party merchant and fulfillment house.
3. Advocates will operate their Preferred Customer business in accordance with all the rules, regulations, policies, and procedures set forth by the Company.
4. Due to a variance in business regulations between countries, Advocates may enroll Preferred Customers only in their country of affiliation.
5. Advocates agree that if within 30 days of purchasing product directly from the Company the Preferred Customer is not satisfied with the results for any reason, the Preferred Customer may contact the Company for an exchange or refund on the purchase amount of the product(s) and any applicable taxes.
6. Advocates are responsible for paying the Company the expenses of a Preferred Customer product return or credit card chargeback. Should the Preferred Customer initiate a product return or a credit card chargeback, the Advocate agrees that the Company may debit from the Advocate's commission check all reasonable expenses incurred and commission or incentives paid on the returned products.

7. Advocates acknowledge that the Company reserves the right to discontinue service to a Preferred Customer if the Preferred Customer returns more than 50% of total purchases over any six-month period.
8. The Preferred Customer return policy, as listed on the Preferred Customer Product Order Form and the Preferred Customer AutoShip Agreement & Order Form applies only to products that Preferred Customers purchase directly from the Company.
9. Advocates are entitled to cancel their participation in the Preferred Customer Program at any time and for any reason upon written notice to the Company.
10. By reference, the Preferred Customer Product Order Form and the Preferred Customer AutoShip Agreement and Order Form are incorporated into this Statement of Policy.

D. Non-payment:

1. The Company reserves the right to levy a US\$35.00 service charge for non-payment of checks and/or credit cards supplied as a form of payment for product and services, be it a one-time order or an AutoShip order.
2. A second non-payment incident shall result in a US\$50.00 service charge and suspension of check privileges.
3. At the Company's discretion, commission checks may be debited or suspended until the issue is resolved.

E. Shipping and Handling:

1. The Company will ship tuition products in a timely fashion.
 - a. Orders received and processed prior to 4:00 p.m. (EST) Monday to Friday, will normally be shipped within 48 hours.
 - b. Orders received and processed after 4:00 p.m. (EST) or over the weekend will be shipped within two business days.
 - c. Orders received on a holiday will be processed and shipped within two business days of the next business day.
2. The company will ONLY ship product orders only to the physical (street) address specified by the Advocate. PO Box addresses will not be accepted.
 - a. The Company will not assume responsibility for lost packages if a P.O. Box is specified for delivery by the United States Postal Service (available only for Alaska, Hawaii, and Puerto Rico).
 - b. The company will not ship to a General Delivery address.
 - c. The company will not ship to an international address (including Canada).
3. Advocates are solely responsible for notifying the company, in writing, of any change in their shipping address.
 - a. If delivery is unsuccessful due to outdated, incomplete or illegible address information, the original shipping charges will be recovered from the Advocate and additional charges will be levied for reshipping the product.
4. All orders are shipped ground service via the carrier under contract with the Company.
 - a. If expedited service (overnight, 2 or 3 day delivery) is requested at the time of ordering additional handling fees and freight charges will apply.
 - b. While the company has no minimum order restrictions (after an Advocate's second order), minimum shipping charges may apply.
 - c. Shipping charges are subject to market variables, so Advocates should consult the current price list or the Advocate section of the corporate website for freight updates.
 - d. Depending on the ordering method, a handling fee may be assessed on all orders to offset the cost of shipping materials.
5. Advocates should report any order shortages or errors to the Company upon receipt of the order.
6. In the event a shipment is damaged in transit, the Advocate should refuse the package and contact the Company immediately.
7. When concerned that an order is lost, the Advocate should wait a minimum of seven business days before requesting assistance or replacement. Package tracking information is available through the corporate website.
8. The Company will not be responsible for shipping delays caused by circumstances beyond its control.

F. Will-Call Orders

1. Will-call orders are available for pick up at the Company's authorized distribution centers.
2. Advocates may contact the appropriate office for the current will-call schedule and locations.

3. Orders that are not picked up within 15 days will be shipped at the Advocate's expense. Future orders may be affected until shipping charge balances are paid in full.

G. Out of Stock Items:

1. If any products are temporarily out of stock, the Advocate will receive notification of the back-order on the invoice.
2. Back-ordered product is paid for when ordered and commissionable volume is accrued for the corresponding commission period.
3. Back-orders are always filled first and are being shipped at no additional charge.

H. Advocate Product Exchanges –

1. Advocates may exchange products within 45 days of the invoice date if the products are unopened, undamaged, and in resalable condition.
 - a. Outdated sales aids or seasonal, discontinued, or special promotion products are not subject to exchange.
2. To initiate a product exchange, the Advocate must
 - a. Contact Distributor Services; notify them of the product(s) being exchanged
 - b. Provide them with the original invoice number
 - c. Receive a Return Merchandise Authorization (RMA) number – Exchanges will not be accepted without an RMA number.
 - d. Place an exchange order and provide a payment method for any difference. The total point value (PV) of the exchange must be equal to or greater than the products being returned, excluding shipping and taxes. Appropriate shipping and handling charges and taxes will also be charged. No credit will be allowed toward future purchases.
 - e. Ship the authorized exchange to the Company within 10 days of receiving the RMA number. The product must be in its original packaging and must be accompanied by the original invoice. Each package must have the RMA number clearly printed in indelible ink on the package or the return will not be accepted.
 - f. Products that are deemed unacceptable for return will be shipped back to the Advocate at the Advocate's expense.
 - g. The Advocate is responsible for all shipping costs including: pre-payment of shipping, insurance, and/or package tracking.

I. Buy Back Policy:

1. Within 45 days of voluntary canceling his or her affiliation or being involuntarily terminated by the Company for cause, an Advocate may return, for repurchase by the Company any unopened, unused, and currently resalable goods and sales aids that were purchased within the preceding twelve (12) months. Additionally, Montana Advocates who cancel within 15 days are entitled to a 100% refund of any consideration given to participate.
2. A 10% restocking fee will apply.
3. It is the canceling Advocate's responsibility to return the product to the Company. To initiate a product buy back, the Advocate must:
 - a. Contact the Customer Service Department; notify them of the product(s) being returned
 - b. Provide the original invoice number
 - c. Receive a Return Merchandise Authorization (RMA) number – Buy backs will not be accepted without an RMA number.
 - d. Ship the authorized buy back to the Company. The product must be in its original packaging and must be accompanied by the original invoice. Each package must have the RMA number clearly printed in indelible ink on the package or the return will not be accepted.
4. The Advocate is solely responsible for all shipping expenses relating to the return of the product.
5. A refund, minus restocking fees and any commission, bonus, rebate, or incentive amounts paid to the canceling Advocate by the Company in association with the products being returned, will be issued within thirty (30) days of receipt of the returned items by the Company.
6. The Company will recover, from the canceling Advocate's upline Advocates, any commission, bonus, rebate, or incentive amounts paid out to them in association with the returned products.

J. Retail Guarantee:

1. Products are provided to Advocates at wholesale prices and may be retailed to customers at a competitive price.
2. Advocates must provide all retail customers with a Retail Sales Receipt at the time of the sale. The Retail Sales Receipt must clearly specify the total amount the customer will be required to pay and must include the contact information for the Advocate.
3. Advocates are required to offer retail customers a 30-day, 100% money-back guarantee, and must comply with the cancellation rights described on the reverse side of the Retail Sales Receipt. Failure to do so may result in termination by the Company, in addition to possible penalties from regulatory agencies.
4. If within 30 days of purchasing and using a product a retail customer is not satisfied with the results, they must notify the Advocate who sold them the product for a refund on the purchase amount and any applicable taxes.
5. The Advocate may keep the returned product for their personal inventory or contact the Company within 45 days of the original invoice date to initiate a product exchange. An original, signed invoice must accompany the return.
6. The Company will not honor retail customer returns exceeding 45 days from the original invoice date, whether the product is sealed or opened.
7. By reference, the terms of Retail Sales Receipt are incorporated into this Statement of Policy.

K. Product Liability

1. Product tampering is strictly forbidden by state and federal laws, and completely nullifies the protection provided by the liability insurance.
2. Advocates who tamper with products become personally, criminally, and civilly liable, and become subject to legal consequences and to immediate termination by the Company.

VII. COMPENSATION

The Healing Codes Institute Compensation Plan is based on a Network Marketing system of person-to-person distribution and direct sales to end consumers. Advocates are compensated for the products sold and distributed through their sales and marketing organizations. By reference, The Healing Codes Institute Compensation Plan is incorporated into this Statement of Policy.

A. Qualifications & Accounting Fees:

1. Advocates must meet the published sales volume requirements to qualify for commissions, bonuses, rank advancements and incentives.
2. Commissions are not paid on the purchase of any promotional business material such as sales aids (brochures, videos, audios, etc.).
3. Commission checks are distributed via US Postal Service on the 20th day of the month, following the commissionable period.
4. If an Advocate finds any commission discrepancies, these must be identified and reported to the Commissions Department within 15 days of receipt of the commissions check for adjustments requests to be reviewed.
5. All commission and bonus checks must be cashed within ninety (90) days or they become void.
6. By cashing any commission or bonus check, the Advocate reaffirms his or her commitment to abide by this Statement of Policy, as amended from time to time.
7. Checks will be processed for amounts equal to or exceeding US\$10.00. If an Advocate's net earnings do not equal or exceed this amount, the commissions will be accrued until they reach the minimum amount for a check to be issued.

B. Commission Check Fees:

1. The Company may debit or place a hold on any commission checks for any amount owed to it by the Advocate.
2. The Company will issue replacement checks for any lost or destroyed checks that are reported within 15 business days after the date of issue. A stop payment and processing fee of US\$30.00 will apply.

VIII. RESTRICTIONS

The Company has a fiduciary obligation to protect and safeguard Advocates who have placed their trust and confidence in the Company mission and management. In conducting their business, Advocates should endeavor to promote the reputation of the products and services of the Company, and refrain from all conduct that might be harmful and inconsistent with the greater public interest of The Healing Codes Institute. By reference, any compliance updates distributed by the Company are automatically incorporated into this Agreement.

A. Representations:

1. Advocates shall truthfully and fairly represent the Company, its products, and programs in discussions with current or prospective Advocates.
2. Advocates may not enter into a contract or transaction on behalf of the Company or represent themselves as employees, representatives, agents or preferred vendors of the Company.
3. Advocates are fully responsible for any verbal or written statements they make regarding the Company, its products, services, and opportunity, which are not in compliance with the current, official Company sales support material.
4. Advocates may not make any claims as to any therapeutic or curative properties of the Company's products. The Company's products are not intended to diagnose, treat, cure, mitigate, or prevent any disease and should never be offered as such.
5. Advocates shall not suggest, verbally or in writing, any diagnosis, prognosis, evaluation, treatment, description, management or remedy of illness, ailment or disease.
6. Advocates may not make any false, unreasonable, misleading, or intentionally misrepresenting income projections to prospective or current distributors / Advocates.
7. Advocates will stress that success within the Company's marketing program depends on personal efforts and will vary from Advocate to distributors / Advocates.
8. Advocates may not claim that the Company's plan or product portfolio has been approved or endorsed by any governmental agency.

B. Advertising:

1. The Healing Codes Institute compensates its distributors for marketing products person-to-person. To protect person-to-person marketing efforts, the Company retains the discretion to restrict its products from being displayed, sold, or advertised at any location that it does not deem acceptable.
2. The display, advertisement or promotion of Company products, services or business opportunity in public view requires prior written approval from the Company. Requests for approval must be received by the company at least 60 days prior to the event date.
3. Advocates may not use, reproduce or disseminate the Company trade name (The Healing Codes Institute or any other derivatives that may be confused as representing the Company), logo, or any trademarked or copyrighted material (including copy, audio, or photos) unless these have been authorized for use.
4. Advocates may use the "Independent Healing Codes Institute Advocate" logo developed for them by the Company on approved business cards, letterhead, envelopes, websites and other approved advertising. (Availability TBD)
5. All Advocate-created material must display the phrase "Independent Healing Codes Institute Advocate" in a prominent position, using the same font size, color, and type as the surrounding text.
6. Advocates agree to avoid any references or website links to any third party literature for the purpose of verifying or stressing any medicinal or therapeutic effects of any Company product or its components. By reference, these third party claims become direct claims without proper validation.
7. Advocates must avoid any false appeals to authorities (deities, doctors, nurses, therapists, scientists, officers of the company, etc.) when presenting the Company's products or opportunity.
8. Advocates may distribute approved sales material they have created only within their downline.
9. Advocates may not charge any for-profit fee for any services, trainings, literature, materials, websites, memberships, or other Company related material.
10. To avoid a conflict of interests, Advocates will not sell, display, or advertise the Company's products in conjunction with non-Company products in any physical or electronic retail sites, displays, catalogs or other advertisements.

11. To maintain a standard of fairness, Advocates may only display the Company-advertised suggested retail price (SRP) on all product advertising material (including websites).
12. All advertisement approval requests must be submitted along with a completed Compliance Verification Form and a hardcopy copy of the proposed material, prior to the material being published or distributed. These advertisements include, but are not limited to: literature, audio or video tapes, emails, bulletin boards, websites, internet communications, telephone messages, print ads, merchandise, etc. At its discretion, the Company will require written approvals. Approval requests should be sent to <mailto:adapprovals@thci.com>
13. Mass-medium marketing (examples: radio and television infomercials, commercials or interviews, and/or billboards) is not supported by the company. Small, generic, classified ads are acceptable, provided they are reviewed and approved by the Company.
14. Advocates may not answer the phone in any manner that will imply that the caller has reached the Company's corporate offices. This includes using the phrases "The Healing Codes Institute", or other related greetings, and also applies to prerecorded answering messages.
15. The Company retains the right, at its sole discretion, to request the immediate removal of any and all non-compliant or offensive material used by Advocates to promote the Company's products or opportunity.
16. Violation of any of the above restrictions may result in termination.
17. By reference, the terms of the Compliance Verification Form and any compliance updates distributed by the company are incorporated into this Statement of Policy.

C. Internet Advertising:

1. All general advertising policies apply to internet / electronic advertising.
2. The Company offers replicating retail websites on the Internet with pre-approved text and photos.
3. Advocates may wish to establish proprietary domain names. This is acceptable provided the name has been approved by the Company and links **directly** to the Advocate's replicating site. (Availability TBD)
4. Advocates may create their own websites independent of the websites available from the Company, provided these have been approved by the Company's legal advisor. To initiate the personal website approval process, a written request must be submitted to the Company, by mail, along with a printout of the entire website, including all links and artwork, and the required legal fee. Once the request for approval is submitted, the Advocate agrees that any changes to the site in the future must be authorized in writing by the Company. Please contact the Compliance Department for fee requirements. If approved, Advocates are responsible for keeping their independent site current, including product, promotion, event and marketing information. Contact compliance@thcidelivery.com
5. To avoid a conflict of interests, Advocates will not sell, display, or advertise the Company's products in conjunction with non-Company products.
6. Advocates will not promote or sell Company products in any auction (including electronic, e.g. e-Bay, Amazon).
7. Violation of any of the above restrictions may result in termination.

D. Spamming:

1. The Company maintains a zero-tolerance policy regarding any spamming activity by Advocates. Spamming is the sending of electronic messages in an attempt to force information upon others who have not specifically expressed a desire or granted an approval to receive said information, regardless of whether or not a signature is included in the message.
3. The Advocate will not use any automatic solicitation equipment (telephone/facsimile/internet) to promote or solicit the sale of the Company's products, services, or opportunity. This includes the use of broadcast faxing and mass e-mailing (excluding the Advocate's down-line organization).

E. Media Inquiries:

1. It is the Company's policy that spokespersons from the corporate office handle all media inquiries (whether radio, television or print).
2. Advocates will not grant any interviews or appear on any television or radio program to promote The Healing Codes Institute products.
3. Advocates agree to refer all media inquiries to the Media Department. Send all inquiries to media@thcidelivery.com

F. Proprietary Information and Trade Secrets:

1. Advocate information including names, addresses, email addresses and telephone numbers of other Advocates, is considered the Company's proprietary trade secret information.
2. Proprietary information is transmitted to the Advocate in confidence and, but for this agreement of confidentiality and non-disclosure, the Company would not provide this information to the Advocate.
3. Advocates agree not to disclose such information to any third party or use such information for non-Company purposes.
4. The Advocate acknowledges that such proprietary information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to the Company and to independent Advocate businesses, and will result in legal action.
5. The Company and its independent Advocates will be entitled to injunctive relief to prevent violation of this policy.
6. The Company prohibits current and former Advocates, either directly or through a third party, from promoting another company's business during Company-sponsored activity or any activity promoted as such.
7. Advocates are independent contractors, and the Company imposes no restrictions on any Advocate's participation or sales activities in other businesses or programs, so long as these do not conflict with their The Healing Codes Institute business.
8. Advocates shall not recruit other The Healing Codes Institute Advocates for other business ventures. This policy shall apply to all countries in which the Company officially operates and shall survive the cancellation of this Agreement.
9. The violation of the Statement of Policy constitutes voluntary resignation and cancellation of the independent Advocate Agreement, effective the date of the violation, and the forfeiture of all commissions payable for and after the calendar month in which the violation occurred.
10. Violations of this policy are especially detrimental to growth and sales, and the Company may seek and obtain damages for violations of this policy.

IX. DISCIPLINARY MEASURES

All of the policies in this Statement of Policy, which includes the Independent Advocate Application & Agreement, and any other agreements entered into by and between the Company and the Advocates are material terms to the agreement between the Company and the Advocates. Any violation of the terms and conditions entered into by and between the Company and the Advocates or the Statement of Policy or any illegal, fraudulent, deceptive or unethical business conduct by an Advocate may result, at the Company's discretion, in one or more of the following corrective measures:

1. Issuance of a written warning;
2. Imposition of a fine to be withheld from future commission or bonus checks;
3. Withholding of commissions or bonus checks.
4. Reassignment of all or part of their marketing organization;
5. Suspension of their Independent Advocate agreement;
6. Termination of their independent Advocate agreement;
7. Any other measure expressly stated within the policies set forth in the Statement of Policy.

X. TRANSLATIONS

From time to time, the Company may make available to the Advocate foreign language translations of marketing and sales materials. If discrepancies are found between the English and foreign language translation the English version will always prevail.

XI. PRIVACY STATEMENT

Recently, privacy laws governing the restrictions on use of personal information have been considerably strengthened. To remain fully compliant with these laws and others that restrict how we collect and manage confidential information, we caution our Advocates to use every precaution when using telephone registration. As a company we have no way, via telephone, to validate an applicant's identity and verify that they understand the contractual obligations associated with being an Advocate. Identity theft is illegal, and it is our policy to do everything possible to protect the security of those who choose to join The Healing Codes Institute. Advocate shall comply at all times with applicable Privacy Legislation and Advocate shall promptly advise Company of any breach or suspect of breach of security protecting any Personal Information.

XII. INDEMNITY

Each Advocate shall hold the company harmless for any claims, damages, or liabilities arising from the Advocate's misrepresentation, negligence or failure to follow the Statement of Policy. This provision will survive the cancellation of the Agreement.

XIII. STATUTORY PRECEDENCE

The Company's Statement of Policy is subject to the prevailing state or federal laws governing our industry. These laws take precedence over any item included herein.

XIV. PROGRAM MODIFICATIONS

In order to maintain a viable business and to comply with governing laws and economic conditions, the Company has the sole right and discretion to modify its compensation plan, product line, pricing or Statement of Policy. Such modifications shall be immediately binding upon notice to Advocates. Updates shall be posted on the Company website. A hardcopy will be made available at the Advocate's written request. Advocates agree to abide by any such modifications.

XIV. NON-WAIVER PROVISION

Failure by the Company to exercise any rights to the provisions stated in this Statement of Policy, The Healing Codes Institute Compensation Plan, Advocate Application & Agreement, or any other document referenced herein, shall not constitute a waiver of the Company's right to demand exact compliance therewith.

Waiver of this right by the Company can only be effected in writing, by an authorized officer of the Company.

XV. POLICY ENFORCEMENT

If any provision of the Statement of Policy is found to be invalid, illegal or unenforceable for any reason, the Company may amend or delete that provision. The amendment or deletion of any clause or provision, will not affect the remaining clauses and provisions, which will remain in full force and effect.

XVI. ARBITRATION

Both the Advocate and the Company hereby agree that their relationship is governed by this Statement of Policy. Any claim, dispute or other difference shall be exclusively resolved by binding arbitration following the Commercial Arbitration Rules of the American Arbitration Association.

Advocates waive their right to trial by jury or to any court. All arbitration proceedings shall be held in the State of Delaware, unless the laws of the state in which the Advocate resides expressly require the application of its laws, in which case the arbitration shall be held in the capital city of that State.

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, if necessary, be reduced to a judgment in any court of competent jurisdiction. Nothing in this Agreement shall prevent the Company from applying to and obtaining from any court having jurisdiction, a writ of attachment, an injunction, or other relief available to safeguard and protect the Company'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. This agreement to arbitration shall survive any termination or expiration of the Agreement.

XVII. GOVERNING LAW, JURISDICTION, AND VENUE

Jurisdiction and venue of any matter not subject to arbitration shall reside in County of Loudon, State of Tennessee, unless the laws of the state in which an Advocate resides expressly require the application of its laws, in which case that state's law shall govern all issues relating to jurisdiction and venue.

XVIII. CONTACT INFORMATION

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USA

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