

# INDEPENDENT CONSULTANT MANUAL



# **Update Page**

Please take the time to familiarize yourself with our most current policies and procedures laid out in your Consultant Handbook. Please contact Consultant Support at (844) 810-5218 with any questions.

#### January Update (1/16)

#### P. 11 My Pan Party™ Services and Fees

Credit Card Processing Fees will be deducted from Commission sales checks each month instead of being charged to the credit card on file.

### February Update (2/16)

#### Pg. 11 My Pan Party™ Services & Fees

Consultant Websites are provided at no cost to the consultant after the purchase of their Starter Kit instead of the \$12.95 charge per month after the first 90 days.



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#### INDEPENDENT CONSULTANT MANUAL

THIS INDEPENDENT CONSULTANT MANUAL (this "Manual") is entered into by and between ADEPT ENGRAVING LLC, d/b/a My Pan Party™, a Wisconsin limited liability company (the "Company"), and you, an Independent Consultant of the Company ("you"), for the purpose of providing the rights, obligations, and restrictions of each party as set forth in this Manual.

#### **OVERVIEW OF AGREEMENT**

#### Mission

We provide entrepreneurial minded individuals a unique opportunity to generate an income from home with their own business. Our commitment is to provide individuals with a positive experience selling unique, high quality, personalized products.

#### History

Adept Engraving LLC was formed in 2002 to try and commercialize personalized, engraved cake pans and lids under our That's My Pan!® brand. Our family owned company started with 1.5 employees in a small retail space in a strip mall in Eau Claire, WI. Within our first few months of operation, our retail customers begged us to offer our That's My Pan!® products as a fundraiser program. They saw the fundraising potential for our American made, quality products especially as compared with some of the sketchier products typically sold as fundraisers.

Our customers were certainly correct! We soon added dozens of employees and expanded to our present manufacturing space in Chippewa Falls, WI in 2006. We have grown to ship our personalized products to all 50 states, helping over 8,000 fundraising groups raise money for their great causes. In parallel with that, we have maintained a thriving retail business. Along the way, we have added dozens of new personalized products to help our returning fundraiser partners keep their sales up year after year.

Over the last several years, we have had many requests to add a home party option to our business. We listened to them just as we did to our customers regarding fundraising in 2002. We were thrilled to launch My Pan Party™ in 2015. This home party based business features our That's My Pan!® products. Proven sellers for more than 15 years, these products can form the basis for a profitable primary or second income for entrepreneurial-minded people all across the United States. Added to our products are our experienced customer service team and the excellent web infrastructure developed for our fundraiser business and now extended to My Pan Party™. Business owners will be able to largely run their business from their desktop, laptop, tablet, or phone. Entering orders, processing payments, checking Commission



balances, and ordering tools can be done with just a few clicks. You take no risks with the quality of our products, all of which carry a lifetime warranty.

Our family owned and run company looks forward to working with you to make your My Pan Party™ business a success!

#### **Binding Contract**

This Manual is a binding contract between you and the Company. It outlines the Company's expectations of its Independent Consultants, and contains important procedural information, compensation plans, terms, and conditions. You agree to comply with the terms of this Manual when you submit your Application to enroll as an Independent Consultant. This Manual, along with the terms and conditions stated in the Application, the Privacy Policy and the Electronic Records Consent, which are all incorporated into and made a part of this Manual (sometimes collectively referred to herein as the "Agreement"), will act as a guide for you in your journey with the Company. All capitalized term used in this Manual are defined in Article 13.

#### **Purpose of Agreement**

In the event certain standards or requirements are not established herein, the parties agree that the purpose and intent of entering into the Agreement is to (a) promote a mutually beneficial business relationship between you and the Company; (b) protect your right to operate as an Independent Consultant of the Company; (c) protect the Company's rights and interest in its physical and intangible assets and goodwill; and (d) provide for and protect the business opportunities of all existing and future Independent Consultants.

#### Benefits of Being an Independent Consultant

So long as your status as an Independent Consultant of the Company remains in good standing, you will be entitled to the following benefits:

- (a) Right to sell the Company's products contained in its Home Party Brochure:
- (b) Right to receive Compensation from the Company for such sales;
- (c) Right to receive Independent Consultant Support from the Company;
- (d) Ability to recruit Hosts/Hostesses for official Company parties;
- (e) Right to call yourself an Independent Consultant of the Company; and
- (f) Right to access your Online Portal on the Company's Website to assist with Orders, record keeping, updating your Account, and more.



#### INDEPENDENT CONSULTANT PURCHASING OPPORTUNITIES

#### Starter Kit

When you purchase your Starter Kit, you will get to design and personalize all of the products. (except the 8x8 WCB & Bakeware Buddy®) Our Independent Consultant Starter Kit includes:

- a) 9x13 Traditional pan/lid
- b) 9x13 Non-Stick Artist Series
- c) Cookie Tin
- d) 27oz Kanteen
- e) 16oz Insulated Kanteen
- f) Bistro Mug
- g) Sub Mug
- h) 8x8 WCB
- i) Bakeware Buddy®

#### Paper Kit

The Starter Kit will also include a packet containing useful forms, training tips and information to help you run a successful business. You will also be provided with enough materials to have your first four parties! (Including catalogs, order forms, Host/Hostess material, and Host/Hostess/Guest gifts.)

#### Kit Enhancement

Twice a year we give active Independent Consultants the opportunity to enhance their display kit! During the months of March and September you will be allowed to place one order at a discounted rate.

#### Giveaway Items

Giveaway items are items that you can purchase to give to Host/Hostess and/or guests at a party. These items are non-personalized and something you can keep "on hand" as perfect giveaway items. We offer an exclusive My Pan Party™ 8x8 cutting board and coffee mug. Bakeware Buddies® will work well as a prize for your info slip drawings at the party.

#### **Reordering Forms and Supplies**

Additional forms and supplies can be purchased through the Online Portal.

#### **Order Cancellation**

You may cancel your Starter Kit order within 3 business days from the date of the order. If you cancel your order within 3 business days from the date of the order, you must make available to the Company any goods delivered to you under the terms of this Manual in substantially as

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good as condition as when received. You agree to comply with the Company's instruction regarding return shipment of products, which will be at the Company's expense. If you make products available to the Company and the Company does not have them picked them up within 20 days of your notice of cancellation, you may retain or dispose of the products without further obligation to the Company. If you do not make the products available to the Company, or if you agree to return the goods to the Company and fail to do so, then you remain liable for the purchase. To cancel, please send an email to orders@mypanparty.com within 3 business days of the date of purchase.

# INCOME OPPORTUNITIES / PAYING TAXES ON INCOME / COMPENSATION

#### **Commissionable Sales**

Commissions are earned on full price purchases made by guests, Host/Hostess, and the Independent Consultant. Host/Hostess reward purchases, discounted bundles, Host/Hostess only gifts, Kit Enhancements, and tools such as order forms and brochures are not included in the sales Volume and do not earn Commissions.

#### Increasing your Commission Rate

Your Independent Consultant Commission is based on a rolling 6 month Volume. Your purchase of a Starter Kit qualifies you to earn Commissions and commences the initial 6 month term of your Account. The following table shows the percentage of sales Commission based on order volume.

| Rolling 6 Month Sales Volume | Commission on Guest Volume |
|------------------------------|----------------------------|
| \$300                        | 19%                        |
| \$600                        | 21%                        |
| \$1800                       | 23%                        |
| \$2400                       | 25%                        |

#### **Payment Schedule**

My Pan Party™ will pay Commission once per month. Commission checks for all orders submitted from the 1st day of a particular month through the last day of such month will be mailed out by the 10th day of the following month.



#### Form of Payment

We will issue payments to the name of the Independent Consultant listed on your Account. All payments will be mailed via check to the address listed on your Account. You must submit any changes to your Account via the Online Portal at least 10 days prior to a Commission payment date in order for the change to be effective for that Commission payment.

#### My Pan Party™ Services & Fees

- Independent Consultants will be charged a flat 3.5% credit card processing fee for all guest and Host/Hostess orders placed using their credit card. Credit card processing fees will be deducted from your monthly Commission sales check.
- Independent Consultants have access to their personal Consultant Website at no charge.
- We will charge any unpaid balance that comes due to your credit card on file.
   Examples of the sorts of charges that typically occur are monthly credit card processing fees for orders where you entered a Guest's credit card to pay for the order if unable to deduct this from your Commission sales check for any reason. The charge items will be itemized on your Commission sales check.

#### **Referral Bonuses**

My Pan Party™ offers a referral bonus program for recruiting new My Pan Party™ Independent Consultants. A \$25 bonus will be added to your commission sales check each month a new Independent Consultant you refer places their first qualifying order (i.e. purchasing their Starter Kit). Additionally, a \$50 bonus will be added to your commission sales check each month an Independent Consultant you refer reaches \$1,800 in total sales.

#### Income Tax

You are required to report your Commissions and Independent Consultant referral bonuses from your My Pan Party™ business as income in your income tax filings each year. As an Independent Consultant, you are a self-employed, independent contractor of My Pan Party™. YOU ARE NOT AN EMPLOYEE OF MY PAN PARTY™ AND WE WON'T ISSUE YOU A FORM W-2. The U.S. Internal Revenue Service ("IRS") requires us to issue a Form 1099-MISC to every Independent Consultant who earns \$600 or more during the previous calendar year. By January 31st of each year, we'll issue you a Form 1099-MISC for the previous calendar year. Your Form 1099-MISC will include all of your earnings from your My Pan Party™ business, including your Commissions and Independent Consultant referral bonuses.

You'll have to report the income from your My Pan Party™ business on Schedule C of your federal income tax return. Because you are self-employed, you may be able to deduct certain business expenses like the use of your vehicle or home office. You can discuss this with your tax



advisor and/or contact the IRS for more information at www.irs.gov or (800) 829-1040. If your state and/or city of residence collect income tax, you may need to file income tax forms with them too.

#### Sales Tax

My Pan Party™ will collect and remit to the proper governmental agencies the applicable sales tax generated as a result of your sales of products. When orders are placed on your Consultant Website, sales tax is calculated based upon the retail price of the items and the ship-to address of the Guest or other purchaser. When you place orders for business supplies or products, we will charge sales tax based on the order total and your ship-to address.

#### **POLICIES AND PROCEDURES**

#### **Delivery Policy**

All regular orders will be delivered to addresses specified when an online order is submitted. Mailed or faxed orders will be shipped to the Independent Consultant's address (unless alternative instructions are provided). If an order is shipped to an Independent Consultant, the Independent Consultant bears all responsibility in ensuring the products get delivered promptly to the end customer.

#### Shipping

My Pan Party™ guarantees that we will have all orders shipped out of our warehouse within 14 calendar days after full payment is received. In the event a product contained in an order is out of stock, and is not expected to be available within forty-five (45) days, the Company will notify you of such and you may cancel this portion of your Order and request a refund, or exchange this item with an in-stock item of equal or lesser value. In the event of a cancellation and refund pursuant to this section, your Volume will be decreased by the amount of the refund.

#### **Independent Consultant Support**

We are here to help! We are proud to offer you an Independent Consultant Support Team to help you with questions you may have and the success of your My Pan Party™ business. Independent Consultant Support Hours may vary over the calendar year so please visit www.MyPanParty.com for current hours.

Independent Consultant Support can be reached at:

Email: support@mypanparty.com

Phone: 844-810-5218 Fax: 715-738-1994



#### Returns

In the event you desire to return any non-personalized inventory that you have on hand, you may return the same for a refund, provided that the inventory is in the same condition as it was when you received the products. On all returns, the Company will refund you 90% percent of the original purchase price, less shipping costs, and less any Compensation that you received associated with the returned items, providing that the items are returned in the same condition as when received by you. In the event of a refund pursuant to this section, your Volume will be decreased by the amount of the refund.

#### Truthfulness & Integrity

When selling My Pan Party™ products, it is very important that you act with integrity. Truthful representation of My Pan Party™, our products, and yourself is required. Any misleading, deceptive, or unfair sales practices are not allowed and could lead to termination of your Account. Truthfulness and integrity are highly important especially when discussing prices, payment terms, personalization, guarantees, return policy, and delivery.

#### **Legal Compliance**

Independent Consultants are expected to sell My Pan Party<sup>™</sup> products according to the terms, conditions and policies stated in this Manual. You are expected to comply with local state and federal laws and regulations applicable to all aspects of your My Pan Party<sup>™</sup> Business.

#### Sales Receipts and Customer Cancellation Rights

We provide carbon copy order forms to be used for parties and for any in-person sales. The order form also serves as the customer's receipt. The law requires you to give the customer two copies of the sales receipt.(for more information please see section 10) The white copy will be for you and the yellow and pink copies will go to the customer. The back of the order form contains our delivery charge rates, order cancellation rights, and our My Pan Party™ guarantee. You are required to keep the white copy for two years. You will provide copies of any and all order forms requested by the Company. Be sure to have an organized filling system to keep track of the sales receipts.

Customers who place "in person" orders have the legal right to cancel an order within three (3) business days. You are also required by law to tell customers about their right to cancel an order and responsible for making sure the date of the order is properly notated on the order form. If a customer chooses to cancel an order within the 3 business day cancellation period, you must promptly refund their money (as long as items they receive are returned in the same condition as received). If a customer cancels an order that was placed using a credit card, contact Independent Consultant support to have this refund processed. You as the consultant are still responsible for any credit card processing fees. If a customer cancels an order that you



have already submitted to My Pan Party™, please contact Independent Consultant Support at 844-810-5218 or support@mypanparty.com

#### Licenses

Some local governments may have rules or ordinances that limit how you conduct your My Pan Party™ business. We recommend that you contact your local government office to find out if there are any requirements or licenses you should acquire to run your My Pan Party™ Business. If you live in a subdivision, condominium, or apartment complex, you should check with your homeowners association or landlord to find out if there are any other rules you must abide by when operating your My Pan Party™ Business. It is your responsibility to obtain and maintain any licenses you are required to have when operating your My Pan Party™ Business.

#### No Exclusive Territory

You are an independent contractor not a franchisee of the Company. My Pan Party™ does not grant our Independent Consultants exclusive territories. You may sell our products throughout the United States and you may refer new Independent Consultants in the following states: WI, MN, IA, SD, NE, KS, OK, AR, MO, IL, IN, OH, PA, WV, KY, TN, TX, AL, GA, MI.

# CONDUCT; EXPECTATIONS; DISCIPLINE

#### **General Conduct Expectations**

The Company expects all of its Independent Consultants (and anyone with an interest in an Independent Consultant's Account) to conduct their business ethically and honestly, and at all times in accordance with applicable laws, ordinances, rules, and regulations. Any fraudulent action by an Independent Consultant will result in discipline and/or immediate termination of the Agreement by the Company.

#### DSA Code of Ethics

We support the DSA's "Code of Ethics." You can view the DSA Code of Ethics at www.dsa.org/ethics. It's important to us that you conduct your My Pan Party™ business in accordance with the DSA Code of Ethics.

#### **Conflicts of Interest**

You, and members of your Household, may be a part of other third-party direct selling ventures, provided that: (a) you do not market or sell the outside direct selling venture's products together with the Company's products; and (b) you do not attempt to solicit the Company's other Independent Consultants to become an agent, seller, or Independent Consultant of such third-party(ies). Furthermore, you may not attempt to solicit the agents or



Independent Consultants from other direct selling ventures to become Independent Consultants. Doing so opens yourself up to potential legal action against you by the third-party venture; the Company shall not pay any costs or fees related thereto, and you will indemnify the Company for any legal fees, costs, and expenses it may incur arising out of such solicitation by you.

#### **Order Expectations**

You agree that you will place orders based on actual customer orders, and not simply for the purpose of achieving Commissions. Orders for your own or family use are allowed and you earn Commissions on them. You may place your own orders as part of any open party order. You will not carry excessive inventory, and must be able to provide the Company proof of pending customer orders for all orders in excess of \$3,000, or be able to explain to the Company why you require said amount of inventory in your order. Additionally, you must also be able to prove to the Company that at least 80 percent of your total yearly Volume is made up of sales to customers outside of your Household upon demand.

#### **Host Incentives**

You may offer Hosts/Hostesses discounts on products that you have purchased from the Company or offer them free products for hosting a party, but you may not pay their Application Fee or provide other monetary benefits to them in an attempt to convince them to become an Independent Consultant.

#### Proprietary Information

You may not use any proprietary information gained or learned about the Company through your operation as an Independent Consultant in order to obtain a benefit or advantage prior to such information becoming public knowledge or being announced by the Company.

#### **Protection of Customer Information**

You may only use your customer list and/or information from your customers, including sales reports, for valid business purposes and for building your business. You may not sell or distribute your customer list or any customer information to any other person. Notwithstanding the foregoing, the Company shall at all times have the right to use your customer list for valid business purposes.

#### Sales to Other Independent Consultants

You may sell the Company's products to other Independent Consultants only if such sales are not made in an effort to maintain your Account. The Company is not responsible for any disputes arising out of your transactions with other Independent Consultants.



#### Violation of Agreement

In the event you violate any of the provisions of the Agreement related to the Company's expectations regarding the conduct of its Independent Consultants, the Company, at its sole discretion, may discipline you. Such discipline may include, but is not limited to, (a) withholding all Compensation during the Company's investigation of such conduct; (b) cancelling or suspending your Account; and (c) bringing a claim against you for damages or other equitable relief if the results of such investigation warrant such action, in the sole discretion of the Company. In the event your Account is so suspended or terminated by the Company, it is under no obligation to pay you any Compensation withheld during such investigation period.

# Ordering / Returning Products

#### Online Ordering / Services

My Pan Party™ provides you with a Consultant Website at no charge. Your Consultant Website it created upon signing your Independent Consultant Agreement. This website provides you all the necessary tools to run a successful business including entering orders, starting parties, closing and submitting parties, and taking payments from customers. There are also many tools you can access such as the Get Started Guide, Product Training Guide, My Pan Party™ Presentation Outline, and more.

#### How Party Orders can be placed

There are several ways that party orders can be placed.

- Customers may order from the party website at any time (before, during, or after the party until it is closed out) and pay using their credit or debit cards.
- Customers may fill out a paper order form, sign and date it and give it to you with payment.
  - If the customer gives you their credit card information, you can enter their order and payment into the party website for them, charging their card. After the credit card information has been used, please black it out on the order form for security reasons.
  - If the customer pays you by check or cash, you can enter their order into the party website and pay using your debit/credit card. Every customer order must be entered and paid for separately. Combining multiple customer orders into one order is grounds for termination of your Account. Please see Payment Options below for more information.



• Independent Consultants may place orders for themselves and their families through any open party website. These are considered commissionable sales.

#### **Shipping Charges**

- Party sales less than or equal to \$149.99: \$10.99 for the first item + \$3.50/ for each additional item
- Party sales greater than or equal to \$150: \$5.50/customer transaction You (the consultant) are responsible for any additional shipping charges resulting from party sales less than or equal to \$149.99. If you have a party with total sales less than or equal to \$149.99 you may merge this party with another open party order.

#### Sales Tax

The Company will automatically calculate, collect, and remit sales tax for all orders placed through your Consultant Website. For orders you take by paper or any other method other than the Consultant Website, it is your responsibility to charge and collect the correct amount of sales tax. You can find out the correct tax any time by creating a dummy order in your Consultant Website and entering the customer's delivery address. The correct tax will be displayed. You can then delete the order.

#### **Payment Options**

My Pan Party!™ will accept payment by Visa, Mastercard, American Express, and Discover. We will process debit/credit card payments for your customers, however you are responsible for collecting your customers' payments. We're not responsible for declined cards. If your customer's credit card is declined, you can collect another form of payment or you can remove the customer's items from the party order. The billing address for the credit card must match the customer's address on the order form. If it doesn't match the credit card company may not accept the charge.

If payment is made by check, customers' should make their checks payable to you (the consultant). The Company is not responsible for checks made out to you that do not clear.

Each customer order must be entered separately. Customer orders may not be combined. Combining multiple customer orders into one order is grounds for termination of your Account.

Customers will receive an email receipt as soon as their order is entered.

#### Closing a Party & Order Submission Deadlines

You (the Independent Consultant) are responsible for entering all orders received from customers within 48 hours of receiving the order. All parties must be closed by the



Host/Hostess within 5 calendar days after the party date. The consultant must submit the party orders and any additional items added within 48 hours of the hostess closing.

Once the order is submitted, each customer will receive an email notification that the order has been submitted.

#### **Submitting Orders**

All orders must be submitted through your Consultant Website (using the open party website) unless prior arrangements have been made with the Company. Payment for orders submitted must be paid in full at the time of submission.

#### **Pricing**

The pricing of all products is specified in the Company's home party brochure. The Company retains the right to change shipping costs and product pricing at any time without prior notice to you. The Company, in its sole discretion, may reject or cancel any Order for any reason.

#### Guarantee / Return Policy

My Pan Party™ offers a lifetime warranty on every product we sell. This covers mistakes we may make in personalization as well as manufacturer's defects. The warranty does not cover commercial use of the products, misuse, or use outside of the care and handling instructions shipped with the product. If you are unhappy with your purchase, please contact us at 844-810-5218. We will elect to repair, replace, or refund your purchase at our option.

### **Term**

The term of the Agreement shall be for 6 months, commencing on the date your Account is created. The Agreement shall automatically renew for successive, additional 6 month periods unless the Agreement is cancelled or terminated by any party hereto in accordance with this agreement.

# **Independent Contractor Status**

#### Independent Contractor

You understand that your status under the Agreement is that of an independent contractor of the Company and, as such, you are not, nor will you become, an employee, agent, partner, legal representative, joint venture, or franchisee of the Company. You are solely responsible for the payment of all tax liabilities, whether federal, state, or local, and other similar deductions arising from your receipt of Compensation from the Company. As a result, you are entitled to



receive a Federal 1099-MISC form from the Company. You have no authority (and shall not hold yourself out as having authority) to bind the Company, and you shall not make any agreements or representations on the Company's behalf without the Company's prior written consent.

#### **Obligations**

You, as an independent contractor, must read and understand the terms of the Agreement. In your operation as an independent contractor under the Agreement, you agree that your business operations shall be conducted in full compliance with any and all applicable laws, rules, and regulations adopted or promulgated by any governmental agency or regulatory body, and state, federal, and local laws, ordinances, rules, and regulations. You shall indemnify the Company against all liability or loss, and against all claims or actions based upon or arising out of a violation of any law, statute, ordinance, rule, or regulation by you and against all expenses. You will determine the method, details, and means and manner of performing your operations, and you will supply all equipment and supplies required to perform your operations.

#### Sales Covenants and Obligations

#### To Hosts/Hostesses

You are fully responsible for and shall make sure all Hosts/Hostesses are informed of all expectations, accurately convey potential reward information to Hosts/Hostesses, and fulfill all promises made by you to Hosts/Hostesses in relation to each home party.

#### **To Customers**

You are fully responsible for and shall at all times act with honestly and loyalty in your dealings with customers. You should also:

- Submit all home-party orders to the Company via an Order within 48 hours after a Host/Hostess closes their party.
- Issue each customer 2 copies of their receipt at the time of the order; receipt must include the transaction date, your name (as the Independent Consultant), the Customer's signature, and the customer's cancellation rights.
- Retain accurate sales records for at least two (2) years from the date of each sale.
- Undertake all necessary measures to destroy all customer credit card information after delivery of an order to each customer. In no event shall you provide access to a customer's credit card information to any other person or third party.
- Deliver all products to customers within seven (7) days from when the products are received by you or the Host.



#### **Dispute Resolution**

#### Between You and Another Independent Consultant

In the event any dispute arises between you and another Independent Consultant, the complaining party shall deliver written notice of the dispute to the other party. The parties shall, in good faith, attempt to settle the dispute by negotiation between the parties. If the dispute cannot be resolved through negotiation, you may notify the Company in writing of the issue, and the Company will thereafter review the issue and take action as it sees fit, in its sole and absolute discretion.

#### Between You and the Company

In the event you have a claim, dispute, or grievance of any kind whatsoever against the Company (collectively, a "Claim"), such Claim shall be subject to mandatory mediation at the Company's headquarters using a neutral mediator of the Company's choosing. The mediation may take place by electronic or telephonic means in the sole discretion of the Company. If the parties are not able to resolve the Claim through mediation, you and the Company agree to resolve the Claim through binding arbitration in Eau Claire, Wisconsin. The Arbitration shall be the sole forum for resolution of the Claim, and you agree not to file any litigation against the Company, or its officers, directors, employees, agents, or affiliates. The party initiating arbitration will provide written demand therefor to the other party. The arbitration shall be conducted in front of a single arbitrator in Eau Claire, Wisconsin, in accordance with the rules for the resolution of commercial disputes of the American Arbitration Association ("AAA"), but need not be conducted by the AAA or its arbitrators. The parties shall attempt to agree on an arbitrator within ten (10) days of the date the party initiating the arbitration sends notice to the other party; if the parties cannot agree on an arbitrator within such ten (10) day period, then each party shall, within seven (7) days, appoint their own arbitrator. These two arbitrators will thereafter select an arbitrator from Eau Claire County, Wisconsin, who will conduct the arbitration. The prevailing party in the arbitration shall be entitled to receive all reasonable costs and expenses, including attorneys' fees, from the losing party, as determined by the arbitrator in his/her sole discretion. The award of the arbitrator in such a proceeding shall be enforceable in any court of competent jurisdiction. The provisions of this Section shall survive the cancellation or termination of the Agreement.

#### Equitable Relief; Limitation of Claims

Notwithstanding the foregoing, nothing contained herein shall prevent the Company from obtaining, from any court having jurisdiction, an injunction or such other equitable relief as may be necessary to protect the Company's interests during the pendency of



any arbitration or other proceeding, without the requirement of posting bond. All Claims must be brought against the Company via arbitration within one (1) year from the date the Claim arises. You agree that no other statute of limitation applies hereto.

### **Intellectual Property**

The My Pan Party™ name and logo, as well as our copyrighted designs and images, belong to Adept Engraving LLC dba My Pan Party™. We have worked very hard to build and protect these trademarks and copyrights in order to help you build your business. We need your help to protect and continue to positively build our brands for the benefit of us all.

You can market your My Pan Party™ business using any of the sales and marketing tools we have created. These tools have been carefully designed to be productive and also to comply with all applicable laws. If you wish to use our logo or brand in any other way than in our tools, you must first obtain written permissions from us. Email your request to <a href="mailto:support@mypanparty.com">support@mypanparty.com</a>. We are not responsible for any costs you incur for producing materials that we later deny use of.

In order to protect our brand and intellectual property, we do not allow changes to our logos, images, or word marks. For example, you cannot change the color scheme of the My Pan Party™ logo. You must not sell any crafts, jewelry, hats, or any promotional materials that were not produced by My Pan Party™ at a My Pan Party™ home party or other function where you are displaying or selling the Company's products.

Within the My Pan Party™ community, you will hear and use various tag lines or phrases. One example of this is *Have your cake and eat it too™*. Other examples may include product names and image names. By entering into the Agreement, you acknowledge that you cannot claim ownership or the right to exclusive use of these items. You agree to not try and register any of these items as a trademark, copyright, or domain name. Further, you assign to us the rights you may have to any words, images, phrases, or other ideas coined or developed within the My Pan Party™ community, and that we may register any of these at our sole discretion.

In order to avoid any implication that your business location is the My Pan Party<sup>™</sup> home office, you may not use our name or logo on your bank accounts, credit applications, credit cards, or other business forms. You may identify yourself as a My Pan Party<sup>™</sup> Independent Consultant. You may not use the My Pan Party<sup>™</sup> name or any derivative in a web domain, email address, or username.

Please refer any media requests for interviews or comment to us at the home office. Email support@mypanparty.com. You may not speak to the media about your My Pan Party™



business without prior written permission from us. Please submit your request in writing at least 5 business days prior to any interview.

You hereby acknowledge and agree that (a) you shall not acquire any ownership interest in, or right to, any of the Company's Intellectual Property (as hereinafter defined) by virtue of being an Independent Consultant; (b) any goodwill derived from your use of the Company's Intellectual Property, if any, inures to the benefit of Company; and (iii) the Company's Intellectual Property is the sole and exclusive property of Company.

#### Right to Use Information

As further consideration for your entering into the Agreement, you authorize the Company to use your name and likeness, any and all photographs, videos, or other media taken by the Company or provided to the Company, and any and all information or media taken from social media sites, to be used for promotional, marketing, or publicity purposes on any medium whatsoever. You understand and agree that you will receive no compensation for such use. The Company also retains the right to use any and all creative, business, or product ideas or materials that you may provide to the Company, and the Company will not compensate you for such ideas.

# Advertising; Promotion; Marketing; Trade Shows

#### **DSA Code of Ethics**

The Company has applied to be a member of the Direct Selling Association ("<u>DSA</u>"). You, as an Independent Consultant, are responsible for compliance with the DSA's Code of Ethics. Furthermore, all marketing that you do or perform must be in compliance with the Company's marketing policy, as provided below.

#### **Consultant Website**

When you sign up as an Independent Consultant with My Pan Party™, you will receive a Consultant Website (your Consultant Website) that you can personalize with your own story (www.mypanparty.com/[your username]). This website is provided for at no cost to the consultant.

You may personalize the "about me" section of your personalized Consultant Website to tell your story. You are solely responsible for the content of this section. Have fun with it! Do not alter the look, feel or branding of your Consult Website. Do not use your Consultant Website to promote or sell non My Pan Party™ products or income opportunities. **We do not allow** 



# Independent Consultants to have external websites to promote their My Pan Party™ business.

The My Pan Party™ business is primarily designed to be run as a home party business. There is no better way to show customers the beauty and quality of our products than in person. Certainly, there is no more fun way to run your business!

#### Social Media

You may use social media sites (such as Facebook, Instagram, Pinterest, Twitter, etc.) to promote your My Pan Party™ business. Any links you post on these sites should point only to your Consultant Website. You are personally responsible for understanding and adhering to the rules and regulations of any social media sites you may use. You should ensure that all your postings are truthful, accurate, and professional. You may identify yourself as a My Pan Party™ Independent Consultant.

#### **Unsolicited Mass Marketing**

The use of unsolicited mass marketing is not allowed in the promotion of your My Pan Party™ business. Examples of unsolicited mass marketing include but are not limited to emails, faxes, direct mail, or telemarketing. You must not use these methods to contact people you do not know or who have not given you permission to contact them. There are very strict State and Federal penalties for violating Spam laws and Do Not Call lists.

#### **Trade Shows**

You may exhibit at trade shows and fairs to promote your My Pan Party™ business. In the show listing you should list your name and My Pan Party™ Independent Consultant. You may not offer or display products from another company in your booth. You may not offer My Pan Party™ products for sale in a retail store. However, you may hold a My Pan Party™ function at a retail location if it takes place outside of normal business hours.

#### **Outside Ecommerce Sites**

You may not sell or offer for sale My Pan Party™ products or the business opportunity on any ecommerce or auction site such as, but not limited to Amazon, eBay, or Craigslist. You may only offer My Pan Party™ products on your Consultant Website.

#### Web Ads

You may use pay per click ads and banner ads. Both the display and destination URL must be your Consultant Website. Banner ads need to be approved by the Company. Please email your ad to support@mypanparty.com. You may use classified ads to promote your business.



Classified ads must direct readers to your Consultant Website. You may place a listing in on and off line phone books so long as you identify yourself as an Independent Consultant of My Pan Party™.

#### **Accounts**

#### Type of Account

Independent Consultant Accounts with the Company may be owned by either (a) an individual, married couple, or domestic partners (each, an "Individual Account"); or (b) a corporate entity (a "Business Account"). All Business Accounts must provide the Company with Articles of Incorporation, Articles of Organization, or such other document that is filed with the applicable state to create such entity (the "Registration Materials"), a certificate of good standing from the applicable state, and a Federal Employer Identification Number ("FEIN").

#### **Enrollment Requirements**

All Independent Consultants must be legal residents of the United States or its territories, and must be of the age of majority in the state in which the Independent Consultant resides. At the time you submit your Application, you must (a) provide the Company with (i) your social security number and your actual legal name (in the case of Individual Accounts), or (ii) your entity's FEIN and its actual legal name as filed with the applicable state in its Registration Materials (in the case of Business Accounts); and (b) submit the Application Fee at the time of submission of your Application (except for North Dakota residents). The Company, in its sole discretion and for any reason or no reason, may reject any Application for enrollment as an Independent Consultant of the Company. You have the right to cancel your enrollment as an Independent Consultant with the Company and receive a return of the Application Fee within three (3) days of your submission of your Application, or within such other time as may be allowable under applicable law.

#### **Enrollment Restrictions**

In no event will you, or anyone in your Household, be able to become an Independent Consultant of the Company if you, or anyone in your Household, is a current employee of the Company or has been an employee of the Company within the last three (3) years, or is a director, officer, partner, executive, or owner of any third-party direct selling venture.

#### Creation of Account

Your Account will be automatically created, and you will be able to access it via the Company's Online Portal, at such time as you agree to the Company's Application, Privacy Policy, Electronic Records Consent, and this Manual, and submit the Application Fee (except for North Dakota residents).



#### Use of Personal Information

The Company will only use your personal information as provided in its Privacy Policy.

#### **Assignment**

Except as provided in specifically provided in this agreement, you shall not sell, assign, or in any way set over all or any portion of your rights or interests in the Agreement, permit your Account to be transferred, or permit any licensee to use your Account without the prior written consent of the Company, which may be withheld in the Company's sole discretion. In the event of any assignment, your obligations hereunder shall not terminate, but shall be in addition to the obligations of the assignee.

#### Changes to Your Account

<u>Updating Contact Information</u>: You are solely responsible for maintaining and updating your Account with accurate contact information (i.e., e-mail address, address, telephone number) through the Online Portal.

Other Changes to Your Account: In addition to changes to your contact information via the Online Portal, other changes are to be made as follows:

Change of Legal Name: In the event of a change to your legal name or the name of the entity used for your Business Account, notification should be sent to the Company at <a href="mailto:support@mypanparty.com">support@mypanparty.com</a>. All names should match applicable tax identification numbers.

Creation or Dissolution of Business Entity: In the event you have an Individual Account and you wish to change it to a Business Account, provide a copy of the filed Registration Materials and applicable FEIN to <a href="mailto:support@mypanparty.com">support@mypanparty.com</a>. In the event of a dissolution of an entity used for your Business Account, provide a copy of the dissolution document filed with the applicable state to <a href="mailto:support@mypanparty.com">support@mypanparty.com</a>.

*Divorce/Removal of Co-Enrollee:* To remove a co-enrollee from your Account, notify the Company at <a href="mailto:support@mypanparty.com">support@mypanparty.com</a>.



Sale/Transfer of Account: You may not sell or transfer your account without the prior written permission of My Pan Party $^{\text{TM}}$ . Understand that the Company may not agree to a sale.

Transfer on Death: Upon the death of an Independent Consultant, or the death of the beneficial owner of the entity listed as the owner of a Business Account, notification should be sent to the Company at <a href="mailto:support@mypanparty.com">support@mypanparty.com</a>, along with a death certificate, notarized will, or other instrument establishing the right of the heir/beneficiary to the Account. All beneficiaries/heirs must agree to and enter into the Privacy Policy, Electronic Records Consent, and the Agreement prior to the Company approving such transfer.

<u>Changes to Tax Identification Number</u>: The Company processes any changes to tax identification numbers bi-annually (in January and July of each calendar year). In the event a change to an Account requires that the Company process such a change, the Company reserves the right to charge a processing fee therefor.

No Splitting of Compensation: The Company pays Commissions to its Independent Consultants on a per-Account basis. In no event will the Company split Commissions on an Account.

# Activity, Inactivity, Cancellation and Suspension of Account. Activity and Inactivity for your My Pan Party™ business.

The purchase of your Starter Kit activates your Account with the Company for 6 months. Your Account will automatically renew for 6 months if you achieve at least \$300 commissionable sales (excludes Host/Hostess rewards, bundles, and half price items) during your first 6 months. From then on, all you need to do to maintain an active Account is achieve at least \$300 in commissionable sales every 6 months.

#### What happens if I become Inactive?

If you do not achieve at least \$300 in commissionable sales (excludes Host/Hostess rewards, bundles, and half price items) during the 6 month term of your Account, you will move to Inactive status. Your Online Portal and Consultant Website will be deactivated and you will no longer have rights to sell My Pan Party™ products or to earn Commissions.

If you have been inactive for 12 months or less, you can easily become active again by placing an order for \$300. To do so, please contact customer service at 844-810-5218 or email us at <a href="mailto:orders@mypanparty.com">orders@mypanparty.com</a>. We will reactivate your Account, Online Portal, and Consultant



Website within 2 business days. If you fail to place the requalifying order of at least \$300 within 2 business days after we reactivate you, your Account will be deactivated.

If you are Inactive for 12 months or longer, your Account will be terminated. To become active again, you can submit a new Agreement and purchase a new Starter Kit.

#### Cancellations

Your Account may be cancelled for three reasons:

*Voluntary:* You may cancel your account at any time by sending an e-mail to support@mypanparty.com stating your desire to cancel your Account.

*Involuntary*: The Company may cancel your Account (i) upon any violation of the Agreement by you, or (ii) in the event the Company dissolves or ceases its business operations. In such event, your Account will be terminated upon thirty (30) days' written notice from the Company.

*Inactivity*: The Company shall have the authority to cancel your Account if you do not maintain your Volume Requirement in any 6 month period. In the event of such cancellation, your Account will be cancelled on the first day of the month following the 6 month inactive period.

#### Suspension

The Company reserves the right, in its sole discretion, to suspend your Account for any time period it deems necessary during any investigation into the occurrence of a violation of the Agreement, or after such investigation as a part of its discipline. You may request that your Account be suspended for a 3 month period, which request may be granted or denied in the Company's sole discretion.

#### Post-Cancellation and/or Post-Suspension.

Upon the cancellation or suspension of your Account for any reason whatsoever, you may no longer sell any of the Company's products, including any inventory that you may have purchased prior to such cancellation/suspension. Upon the cancellation of your Account, you may return all non-personalized inventory on hand as of the date of cancellation to the Company, and the Company shall issue you a refund for such inventory, less any processing fees. The Company will pay you all Compensation earned prior to the date of your cancellation, less any amounts withheld during or occurring as a result of any disciplinary investigations, and less any processing fees for any return of inventory, if applicable. You must also stop using and remove, or have removed, your Account name from any and all websites that may list you as an



Independent Consultant of the Company. You shall not have the authority to hold yourself out as an Independent Consultant in any manner.

<u>Damages After Cancellation</u>. In the event you engage in any conduct prohibited by the Agreement after the cancellation or termination of your Account, you agree that the Company will suffer damages which may be difficult, if not impossible, to quantify. Thus, you hereby agree that the Company shall have the right and authority to see and obtain injunctive relief upon any violation or threatened violation of the Agreement after such cancellation or termination, and you agree that the Company may recover, in its sole discretion, either actual damages, or as liquidated damages, and not as a penalty, the full retail value of all products ordered by you from the Company in the twelve (12) months prior to the cancellation or termination of your account.

#### **MISCELLANEOUS**

#### **Entire Agreement**

The Agreement contains the full and complete understanding and agreement of the parties hereto, whether oral or written, with respect to the subject matter hereof, and supersedes any previous agreements between the parties with respect to the subject matter hereof. In the event the terms of the Agreement conflict with any other written agreement entered into by you and the Company, the Agreement shall control.

#### Modification

The Agreement, or any portion thereof oe individual document therein, may be modified or amended by the Company in its sole discretion, at any time and from time to time. By electronically entering into the Agreement, you agree to its terms. Your continued work as an Independent Consultant, or acceptance of any Compensation, after the Agreement is modified or amended is deemed to be acceptance of those changes. You are solely responsible for reviewing the Online Portal for notifications of any updates to the Agreement.

#### Waiver

It is understood and agreed that no failure or delay by the Company in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, power or privilege hereunder. No waiver by any party of any default in performance by the other party under the Agreement, or of any breach or series of breaches by the other party of any of the terms or conditions of the Agreement will constitute a waiver of any subsequent default in performance under the Agreement or any subsequent breach of any terms or conditions of the Agreement. Performance of any obligation required of a party under the



Agreement may be waived only by a written waiver signed by a duly authorized officer of the other party.

#### Limitation of Liability

You hereby agree that the Company, and any of its directors, officers, employees or agents ("affiliates") shall not be liable for, and you release and hold harmless the Company and its affiliates, from all claims for consequential and exemplary damage and lost profits for any claim or cause of action relating to or arising out of the Agreement. You further agree to release and hold harmless the Company and its affiliates from all liability arising from or relating to the promotion and operation of your My Pan Party™ business and activities related thereto, and agree to indemnify the Company and its affiliates for any liability, damages, fines, penalties or other awards arising from unauthorized conduct that you undertake in operating your business. Furthermore, you represent and warrant that you have no criminal background, including but not limited to, crimes related fraud, theft, and/or embezzlement.

#### **Governing Law**

The Agreement shall be governed by and be construed and take effect in all respects in accordance with the internal laws of the State of Wisconsin, without reference to its principles of conflicts of law.

#### Venue; Jurisdiction

All parties hereby submit to the in personam jurisdiction and venue of the state and federal courts with jurisdiction to hear disputes in Eau Claire County, State of Wisconsin, with respect to all disputes or claims arising out of or related to the Agreement, whether or not subject to arbitration. The parties agree and submit to the jurisdiction for all arbitration as provided in this Manual.

#### Survival

The terms of this Manual shall survive the cancellation, expiration, or termination of the Agreement.

#### Severability

If any provision or provisions of the Agreement is for any reason determined to be unenforceable or invalid, such provision shall be reformed only to the extent necessary to make it enforceable, and such decision shall not affect the enforceability or validity of any other provision of the Agreement or any portion thereof.



#### Force Majeure (Uncontrollable Delays)

The Company shall not be responsible or liable to you for any issues resulting from or arising out of any non-performance, or delay in its performance, of any terms and conditions herein, when such non-performance or delay is proximately caused by acts of God, terrorism, war, riots, death, strikes, unavailability of suitable and sufficient labor or materials, or any another event beyond the control of the Company.

#### **Rules of Interpretation**

The language used in the Agreement shall be deemed to be the language chosen by all parties to express their mutual intent, and no rule of strict construction against either party shall apply to any term or condition hereof.

#### **Headings**

Captions and headings used in the Agreement are for convenience only and are not a part of the Agreement and shall not be used in construing it.

#### Authority

The parties hereto represent and warrant that they have appropriate authority to bind their respective parties.

#### **DEFINITIONS**

Capitalized terms used in this Manual shall have the meanings set forth below:

"<u>Account</u>" means the Company's record of your personal information, sales information, and all other information associated with your work as an Independent Consultant of the Company.

"Agreement" means this your Application, the Privacy Policy, Electronic Records Consent, and this Independent Consultant Manual, collectively.

"Application" means your application with the Company to enroll as an Independent Consultant.

"Application Fee" means the fee that you are required to pay in order to become an Independent Consultant (except for North Dakota residents).

"Business Account" means an account with the Company owned by a corporate entity, as opposed to an Individual Account.

"Claim" shall have the meaning as defined in Section 11.2 of this Manual.



"Company" means ADEPT ENGRAVING LLC, d/b/a My Pan Party™, a Wisconsin limited liability company.

"Commission" means the Compensation you receive from the Company for your sale Volume of the Company's products calculated as further outlined in this Manual.

"Compensation" means the total financial incentives provided to you by the Company for your sale of the Company's products, as further outlined in Article 4 of this Manual.

"Consultant Website" means an Independent Consultant's replicated website provided by the Company.

"<u>DSA</u>" means the Direct Selling Association, a national trade association of the leading firms that manufacture and distribute goods and services sold directly to consumers.

"<u>DSA Code of Ethics</u>" means the Code of Ethics promulgated by the DSA, as the same may be amended from time to time.

"<u>Electronic Records Consent</u>" means the Company's Electronic Records Consent document that you consent to and agree to be bound by into at the same time as you submit your Application.

"FEIN" means Federal Employment Identification Number.

"Independent Consultant" means you, the person or business entity entering into the Agreement with the Company as an independent contractor of the Company.

"Independent Consultant Support" means the help provided by the Company to its Independent Consultants in the form of advice, technological support, Account help, and the like.

"Individual Account" means an Account with the Company owned by an individual person(s), as opposed to a Business Account.

"Intellectual Property" means all designs, drawings, specifications, trade secrets, processes, logos, phrases, know-how, and other intellectual property rights, including, but not limited to: (i) patents or patent applications in the United States or any other jurisdiction; (ii) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights and copyrightable works (whether registered or unregistered), data, data files and databases, and documentation; or (iii) trademarks, trade names, service marks, trade dress; all however arising, in each case, whether registered or unregistered, and including all registrations and applications for,



and renewals or extensions of, these rights or forms of protection under the laws of any jurisdiction in the world.

"Interest" means any interest, whether now or in the future, held by any person or entity in your Account with the Company. Members of your Household automatically have an Interest in your Account.

"Home Party Brochure" means the promotional booklet published by the Company that shows and displays all products available for which you may place an Order.

"Hosts/Hostesses or Host/Hostess" means the individual persons with whom you, as an Independent Consultant, set up home parties in your attempt to sell the Company's products.

"<u>Household</u>" means you, your spouse, and all other dependent family members residing with you.

"Online Portal" means the part of the Website in which you can log-in to your personalized Account, updated your personal information, place Orders, receive messages from the Company, and the like.

"Orders" mean all product orders placed by you with the Company for the Company's products.

"<u>Privacy Policy</u>" means the startup products, samples, and paperwork that you will receive upon entering into the Agreement with the Company, as more particularly described in this Manual.

"Starter Kit" means the help provided by the Company to its Independent Consultants in the form of advice, technological support, Account help, and the like.

"Volume" means the amount of product sales generated by you through guest, Host/Hostess, and Independent Consultant purchase. Host/Hostess rewards such as half price items and discounted bundles do not count towards Volume. Similarly, purchases of tools such as brochures do not count towards Volume.

"<u>Volume Requirement</u>" means the minimum Volume of sales that you must sell each 6 months in order to retain an active Account with the Company, as further specified in this Manual.

"Website" means the Company's website at http://www.mypanparty.com.