



UNDERSTANDING THE EARNINGS PLAN — FAQs

THE CM ADVISOR OPPORTUNITY

1. What do I get for the \$49 annual fee?

When you sign up as an Advisor, you'll receive:

- An Account Credit of \$50 to purchase the product(s) of your choice (to be used within 31 days).
- Your own personal link (URL). For example: www.CreativeMemories.com/CM/JaneDoe. This is what you'll share with customers so they can order products from you. All sales coming through your personal URL will be credited to your Advisor account.
- Electronic sales tools, like promotional banners/product offers and an e-catalog to post on social media, a blog or website, or to send to customers via email.
- Access to Advisor Exclusive products.
- Access to the Advisor HQ, which includes sales and marketing tools for Advisors, like Project Recipes™, product and promotional flyers, memes for social media, order forms and much more.
- Support and training from the CM Home Office Advisor Success Coach, as well as marketing and customer service teams.
- Invitations to Home Office-sponsored events.
- A twice-weekly newsletter and resources to share and promote best practices.
- Access to Advisor-only Facebook Groups where both creative and business ideas are shared.

2. Is there a start-up kit? How do Advisors get initial product?

There is not a start-up kit, rather each new Advisor receives a \$50 Account Credit to use to purchase any product(s) they would like, and if they choose to order additional products to show customers, those all apply to the new Advisor's Account Balance. (This \$50 Account Credit must be used within 31 days.)

3. Can customers order directly with me online?

Yes, each Advisor gets their own personal URL. Upon signup you'll be prompted to choose a name for yours. For example, CreativeMemories.com/CM/YourName. Customers then click through your personal link to order with you. When they visit your site, they will see your name and photo as confirmation they are shopping with you. There is no monthly fee for this service. You will want to share your personal link often! If customers use different devices, they will want to click your link each time. Alternatively, your customers can always find you via the Advisor Search, which is available on the homepage of the website or at checkout.

4. When you say Advisors need to renew annually, is that from the date you sign up or a calendar year?

Your Advisor term starts the day you sign up and lasts for 12 months. If you sign up Nov. 10, your last day to renew will be the next year on Nov. 10. We have an auto-renewal option, which will process your renewal two weeks before this final renewal date ensuring that you do not lose your Advisor status or connection to any Downline.

5. How should Advisors refer to ourselves?

At Home Office, we call Advisors "Creative Memories Advisors" or "CM Advisors." When you refer to yourself or advertise your business online, you can use the term "Creative Memories Independent Advisor."



There is also a Creative Memories Independent Advisor logo you can use to advertise your business.

6. How does the Advisor Account Balance (annual sales) work?

The Advisor Account Balance is based upon five levels. Upon signup, every Advisor starts at Level 1 with a \$0 balance, which you can grow as quickly or as gradually as you like.

Your Account Balance reflects what you and your customers pay for the product (the retail amount less any coupons applied, referred to as “retail sales”):

<u>Level</u>	<u>Profit rate</u>	<u>Account Balance</u>
1	10%	\$0-550
2	25%	\$551-2,500
3	30%	\$2,501-7,500
4	35%	\$7,501-15,000
5	40%	\$15,001+

Your product orders + your customers’ product orders = Your Account Balance

In the CM plan, all compensation is based on your personal Account Balance, which will grow throughout your first year. After the first 12 months, it will become a rolling year, which means your Account Balance will reflect the current day plus 364 days of history (more on the rolling year later).

As an Advisor, you will earn:

- Profit (based on the level of your Account Balance — see example below) on your own purchases and your customers’ purchases.

You may also earn a \$100 Account Credit when:

- You have \$2,000 in personal retail sales in a calendar month (your purchases + your customers’ purchases).
- Account Credits are issued as they are earned. They will appear on your Advisor Achievements page and you will receive an email notification.



Example:

<u>Level</u>	<u>Profit rate</u>	<u>Account Balance</u>
1	10%	\$0-550
2	25%	\$551-2,500
3	30%	\$2,501-7,500
4	35%	\$7,501-15,000
5	40%	\$15,001+

Advisor Sarah begins the month with a \$500 Account Balance. This means Sarah is at Level 1, earning 10%. A customer follows her personal Advisor link and places a \$75 retail order. \$75 is added to Sarah’s Account Balance. Sarah’s Account Balance is now at \$575, so she is at Level 2.

Because the order crossed over \$551, Sarah will receive 10% profit on the first \$50 of the order and 25% profit on the rest of the order (\$25). *(The system is smart — it knows when an order crosses a level. On any single order that straddles a level, Advisors are paid both profit levels on the appropriate amounts.)*

Sarah will receive her payment via Direct Deposit the following week, as all Retail Profits are paid weekly. *(Please note: All Advisors need to sign up for Direct Deposit. If they do not sign up for Direct Deposit, any earnings are held until the end of the year and they are charged a \$100 check processing fee.)*

The next day, Sarah places a \$100 order of her own. The amount that goes to her Account Balance is \$100, which is now \$675.

Between customers ordering through her link (on which she’s now earning 25% profit), and Sarah placing orders through her Advisor account to fulfill orders from her events, Sarah’s Account Balance grows by an additional \$1,900, for a total of \$2,575.

Sarah is now at Level 3. She will earn 30% on the \$75 that is over \$2,500 and 30% on future orders. And since Sarah added more than \$2,000 to her Account Balance in a calendar month, she will receive a \$100 Account Credit.

Starting balance:	\$500
+ 75 order	\$575 balance
+ 100 order	\$675 balance
+1,900	\$2,575 balance

Advisors also earn income on their Group’s sales

If you have Advisors who have signed under you (called Downlines), the commission rate you earn on your Group’s Account Balances is based on YOUR Account Balance. The higher your personal Account Balance, the higher Commission Rate you earn on your Group.

- You will receive Commissions on the growth of your Downline Advisors’ Account Balances weekly.
- You may also earn a \$100 Account Credit when:



- The Advisors who have signed under you (your Group) have \$2,000 or more in sales in a calendar month. *(For Account Credits, it does not matter the level of your Account Balance.)*

<u>Level</u>	<u>Profit Rate</u>	<u>Your Account Balance</u>	<u>Commission Rate on your Group's Account Balances</u>
1	10%	\$1-550	2%
2	25%	\$551-2,500	5%
3	30%	\$2,501-7,500	6%
4	35%	\$7,501-15,000	7%
5	40%	\$15001+	8%

Example:

Sarah is at Level 3, earning a 6% Commission Rate on her Group's Account Balances due to her personal Account Balance of \$2,575. She has 20 Advisors in her Group. In December, they purchase \$100 each *(her Advisors' purchases at retail + their customers' purchases at retail)*, for a total of \$2,000. The following week Sarah will receive 6% or \$120. She will also receive an automatic Account Credit of \$100 because her Group reached \$2,000 in a calendar month. Account Credits are issued as they are earned. They will appear on your Advisor Achievements page and you will receive an email notification.

[If those same 20 Advisors purchase \$200 each in December (\$4,000 total) Sarah would receive \$240 in Commissions plus \$200 in Account Credit. There is no limit to the number of Account Credits that can be earned based on increments of \$2,000 in a calendar month.

7. How do I increase my Account Balance?

The first thing we recommend is sending your personal URL out to everyone you know, sharing it via email, posting it on social media, publishing it on your blog or website, etc. As customers order products from you and you place orders yourself, your Advisor Account Balance will start growing and will grow throughout the year.

Your balance will continue to build as you share products and promotions with customers and grow your business during your first 12 months.

As you cross different sales levels, you will earn at an increasingly higher Profit Rate on sales to customers and a higher Profit Rate on your own purchases. If you have Advisors who sign under you, as you reach new levels, you'll also earn higher Commission Rates on your Group.

8. How does the rolling Account Balance year work?

Advisors' first 12 months are the period you build your Account Balance; each order's value up throughout the year.

When you've been an Advisor for more than 12 months, your Account Balance will reflect the current day plus 364 days of history. If you continue the same level of activity consistently over time (your purchases and your customers' purchases), you should be able to continue to grow or maintain your level indefinitely.



Beginning with your renewal date, your Account Balance will begin going day by day. If you had a few big orders in a month, you will want to plan for similar sized orders at the same time the following year to maintain the same Account Balance.

Example:

Advisor Debra, who started in November, does a consistent business all year, averaging about \$1,000 per month. Her peak month was November, with holiday Open Houses and a large crop.

Debra’s Account Balance is \$15,500 at the end of her first year, which puts her at Level 5, earning 40% profit and 8% on her team members’ sales.

<u>Level</u>	<u>Profit Rate</u>	<u>Account Balance</u>	<u>Commission Rate</u>
1	10%	\$1-550	2%
2	25%	\$551-2,500	5%
3	30%	\$2,501-7,500	6%
4	35%	\$7,501-15,000	7%
5	40%	\$15,001+	8%

Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
\$4,500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

When it’s time for Debra to renew the following November, her Account Balance will begin looking back to the last 364 days. This means that as the calendar advances, the orders from the prior November will start to drop off.

For instance, let’s say Debra’s \$4,500 in orders were on three separate days — \$1,000 on Nov. 2, \$2,000 on Nov. 15 and \$1,500 on Nov. 25.

- One year later, on Nov. 3, the prior year’s Nov. 2 \$1,000 order will fall off her Account Balance.
- On Nov. 16, the prior year’s Nov. 15 \$2,000 order will fall off her Account Balance.
- On Nov. 26 the prior year’s Nov. 25 \$1,500 order will fall off her Account Balance.

You can see that Debra will want to repeat or exceed the orders she had the prior year in order to maintain her Account Balance at Level 5.

9. If I have an Account Credit when it’s my renewal time, can I use it to pay my annual fee?

An Account Credit may only be used to purchase product.

10. How often will I be paid, and how?

Advisors are paid weekly if they are signed up for Direct Deposit. You receive:

- Retail Profit from your personal purchases made the prior week.
- Retail Profit from your customers’ orders placed the prior week.
- Commissions on your Group’s sales from the prior week.



Profits/commissions run each Sunday morning, 12:01am CT. People who are signed up for Direct Deposit usually see their deposits in their accounts by Wednesday of the following week. You can see your earnings for the week on your Advisor HQ > My Reports > Earnings tab. That information includes earnings history, earnings to be paid and payment history.

If you are due to receive an Account Credit, it will appear on your My Achievements page shortly after being earned (usually within 24 hours).

11. Do I have to sign up for Direct Deposit?

Advisors are required to sign up for Direct Deposit to be paid Retail Profits and Commissions weekly. If CM does not receive Direct Deposit information for an Advisor, she/he will be paid annually via check, less a \$100 processing fee.

12. Are levels retroactive? For example, if I reach the 30% profit level, can I get “back pay” for the prior two levels?

The levels are not retroactive. You’ll receive Retail Profit (and Commissions, if you have Advisors under you) based on your level at the time orders come in.

For example, once your Account Balance reaches \$2,501, your next order will be at the 30% Retail Profit Rate, whether that’s in your first month as an Advisor, your fifth month or your 11th month. If you have an order that crosses over a level threshold, the first portion of the order will be paid at your current level and the second portion at the next level.

13. Can you tell me more about Account Credit? Are they redeemable as cash?

You can earn a \$100 Account Credit two ways:

1. You have \$2,000 in purchases/sales in your account in a calendar month, and/or
2. Your Group adds \$2,000 or more in purchases to their accounts (collectively) in a calendar month.

Account Credits can be used to purchase product(s) on the website, so you can apply them to your personal orders or orders you are placing on behalf of customers. You can also copy and share an Account Credit to reward favorite customers or incent your team. *(If you have questions about using your Account Credits in a specific manner, please contact customer service.)*

The Account Credits earned based on personal or group sales in a calendar month expire one year from the date of issue. Other types of Account Credits, such as your first \$50 Account Credit received when you join, expire at 31 days. It’s always good to stay on top of the expiration dates of your Account Credits which you can review on your My Achievements page.



CUSTOMERS

14. When customers order through my link, are they paying full price (retail)?

Yes, customers will pay retail prices. If there is a CM Home Office-initiated customer promotion (buy-one get-one, bundles, gift with purchase, etc.), the amount that goes into your Account Balance will be what the customer paid for the product less any coupon value applied.

15. Will I be able to see the name of the customer who purchased from me?

Yes, you'll receive an email when customers order from you and also see their name in your Advisor HQ > My Reports > Reports tab > Order History. The customer will also see your Advisor name on their email order receipt.

16. Will customers visiting CreativeMemories.com (not coming through an Advisors' link), be forced to affiliate with an Advisor?

The website does not force affiliation. We offer an Advisor Search on the site and as part of checkout, so in the event a customer intends to shop with an Advisor and does not come to the site via that Advisor's personal URL, they will be able to find their Advisor by name.

If they're looking for an Advisor near them, there's also a zip/postal code search. (To ensure you appear on the Advisor Search, you must personalize your URL, which is part of the sign-up process.)

When you're working with your customers, you'll want to be sure they have your link and encourage them to bookmark it so they click through and order with you each time. If they do not use your link or see your name and photo on the site or as part of checkout, they can search for you by name as part of checkout to ensure their order is credited to you.

GROUPS

17. Is my Commission Rate, on the Advisors who sign under me, based on *their* Account Balances or on *my* Account Balance?

Your level of compensation, both Retail Profit Rate and Commission Rate, are always based on *your* Account Balance (*your retail purchases + your customers' retail purchases*). The higher *your* Account Balance, the more you earn on the Advisors' sales who have signed under you.

18. Are there "ranks" or titles?

Everyone is a CM Independent Advisor. There are not any other titles or ranks.

19. When Advisors sign up under me (join my Group), I understand I will earn Commissions at my Commission Rate on their sales. If they bring Advisors into *their* Group, will I earn on that second level?

This plan pays on one level, so you will not earn Commission on additional lines below your Group. However, because the Commission structure is based solely on each Advisor's Account Balance, Advisors in your Group



are motivated to increase their own Account Balances to earn more on their teams, which will in turn benefit you by adding to your Group Commissions.

20. What is the role of an Upline Advisor?

It is for each Advisor and their team members to determine how much support and training they offer their Group. As a new Advisor, if team dynamic, idea sharing, training and encouragement are important to you, you will want to talk with your potential Upline Advisor and see what sort of team support they offer to ensure the best fit before you sign under them.

21. If one of the Advisors under me (call her Beth) chooses not to renew, will the Advisors Beth has signed up move under me (i.e., bump-up)?

Bump-ups are not part of the plan. However, if one of the Advisors who signed under Beth would like you as an Upline Advisor instead, she can ask customer service to move her to your team if Beth does not renew. Because there are no minimums, volume or leadership requirements for Advisors to stay active, many common reasons for deactivations do not apply. If an Advisor pays her annual fee, she will remain in active status.

22. When it comes time to renew each year, will Advisors have to confirm they wish to stay with their Upline?

When Advisors renew each year, they will remain affiliated with their current Upline Advisor, as long as that Advisor is in active status. Downline Advisors may opt to change their Upline at their renewal time and may do so by contacting customer service at CustomerService@CreativeMemories.com.

23. When new Advisors join, do they have to sign under an existing Advisor?

No. The Advisor opportunity is open to everyone, so people can sign up directly with CM if they wish. If someone wants to sign under a particular Advisor, they will need to come to the site through their desired Upline Advisor's link. If someone signs up under Home Office and wishes to be part of another Advisor's Group at some time in the future, customer service is happy to make that change at any time (does not have to be during the renewal period).

24. What is the difference between reactivation and renewal?

The system attempts renewal two weeks before your Advisor "Renew By" date (if you are signed up for auto-renewal, which is recommended). When Advisors renew, they will be active for another year.

Reactivation means you did not renew and have lapsed as an active Advisor. If you had Downlines, they are no longer connected to you and you need to rejoin following the steps that new Advisors follow. With reactivation, if you are not an Advisor for a period of a few months, your Account Balance will continue to roll during that time. If you sign up as an Advisor again within 12 months, you will regain whatever Account Balance you have remaining. However, remember that you will not regain Downlines that you lost when you deactivated.



TAXES, SHIPPING, ETC.

25. Will I be responsible for submitting taxes to my city/state on the products I sell to my customers?

You will not be responsible for remitting retail sales taxes. Because you will be placing your Advisor orders at full retail (and receiving your discount back in the form of weekly profit payments), our system will handle retail sales taxes on your behalf. You will, however, be responsible for accounting for, filing and remitting all income taxes as required by your state and country.

26. When would I receive a Form 1099-MISC for taxes?

As independent business owners, U.S. Advisors can expect to receive a Form 1099-MISC from Creative Memories if, in a calendar year, the Advisor had more than \$600 in combined earnings, Account Credits issued, free gifts from promotions and/or earned incentive prizes. You can learn more about it [in this FAQ](#).

27. If I order products for personal use, will I be able to claim the difference on overpaid sales tax?

You'll want to make note of the products you bought for personal use and the Retail Profits you received on those purchases and include that in the information you provide your tax advisor. You can download your orders from your My Account page to assist you in this process.

28. What are the rates for shipping and handling?

The rates are below, and also available from the footer of CreativeMemories.com.

Sales Amount	U.S. 48 States		AK, HI, PR, Guam, VI	
	Ground Rates	2-Day Air	Ground	2-Day Air
0-\$150	\$8.95	\$18.95	\$28.95	\$38.95
\$151-300	\$14.95	\$24.95	\$34.95	\$44.95
\$301-500	\$18.95	\$28.95	\$38.95	\$48.95
\$501+	Free	\$50	Free	\$50

29. Can customers consolidate orders to reach free shipping minimums?

Customers are free to combine multiple orders to one delivery destination to minimize the costs of shipping and handling. Note: The site allows one credit card for payment. And the product will arrive together (not packaged by individual customer), so it would be the responsibility of the order recipient to sort/distribute products to each respective customer.

SIGNING UP AS A CM ADVISOR

30. Can we have other businesses in addition to being a CM Advisor?

Yes. CM Group will not restrict Advisors from having other businesses or being part of others' affiliate programs.



31. I do not know any Advisors, but like being part of a team. Can you help me connect with someone?

You're welcome to use the Advisor search, [CreativeMemories.com/Advisor/Search](https://www.creativememories.com/Advisor/Search), to find someone near you or ask for recommendations from other Advisors or customer service. The Advisor Facebook Group is a great place to connect with and meet fellow Advisors.