



To Team National Independent Marketing Directors:

Team National has enjoyed a successful history and one that has been blemish free in terms of challenges by regulatory agencies. As with all leading direct selling companies, it is to be expected that inquiries will arise as to the legitimacy and intent of the Team National marketing program. Such inquiries have been routine for more than a half century for virtually all major direct selling companies, and it goes with the territory.

Because Team National always wishes to be in the mainstream of the industry, it has adopted a policy of being proactive, transparent and committed in its obligation to be a good corporate citizen wherever it conducts business. If an inquiry is made about the business, we immediately reach out and provide a complete explanation of the legitimate factors that are the underpinning of our business practices.

Therefore, the corporate office thought you would want to see the typical explanatory letter that we send in response to a regulatory inquiry. We think you will see that we have thought through the issues and are committed to being up-front, present and above board...always.

Best regards,

The Membership Services Team

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#### Team National Consumer Explanation Letter

Team National approaches consumer protection with the utmost importance. Team National is a legitimate company that adheres to the very strict Code of Ethics of the Direct Selling Association and honors all federal and state legislation in the direct selling field. It is worth noting that our company's direct selling marketing program has experienced no state or federal regulatory problems since our inception in 1997.

Team National is an active member in good standing of the Direct Selling Association. We have been actively involved with national, state and local consumer protection organizations and have received awards for our activities. The consumer membership package is purchased by individual consumers and group entities throughout the United States. Group purchases have included large private employers, hospitals and municipal entities. In fact, many of our customers across the country are small businesses that are given an opportunity to purchase a premium membership. Once they become members, they can receive a listing on our Business Exchange directory, which is accessible by all of our members; giving our thousands of business members increased marketing visibility.

In terms of the membership savings opportunity, the products and services available to the consumer members are at very favorable rates, including pre-negotiated auto pricing, home furnishings, merchant credit card processing and a myriad of other products and services. In all, our membership package has benefits in over 20 different industries. Independent sales representatives of the company are under no obligation to purchase the consumer membership and this point is made very clear to the distributor.

Additionally, independent sales representatives do not purchase product for resale, nor do they stock any inventory. The sole function of independent sales representatives is to market the consumer membership to other potential consumers. If an independent sales representative chooses to purchase a consumer membership, they are treated like any other consumer and thus would purchase that membership in their capacity as a consumer.

In the U.S., the Direct Selling industry involves approximately 20 million American entrepreneurs with a 36 billion dollar a year impact on the U.S. economy. Direct sales is among the most accessible paths to entrepreneurship and offers a low risk way to participate in a fast-growing part of the economy. Unfortunately, sometimes there appears to be a blurred line between legitimate direct selling companies and illegitimate pyramid schemes, and disreputable promoters have taken advantage of the similarity of structure to abuse consumers. Over the years, legislatures, courts and regulatory agencies have developed clear distinctions to differentiate legitimate practices from fraudulent practices. Team National can easily articulate the legitimate nature of our business. The company markets consumer products and services in a direct selling approach. Our marketing program has been structured to fit within the guidelines approved in the landmark Federal Trade Commission's Amway decision.

Based on the safeguards we have adopted, as addressed in the chart below, our marketing program is a legitimate direct selling program and does not fit the description of a pyramid or chain scheme. We welcome you to review our website at [bign.com](http://bign.com) for more information and history of our company. As an additional note, Team National has been featured on the cover of the September 2006, November 2007, May 2010, Spring 2012, October 2014, December 2015, April 2017 and April 2018 Success from Home magazines.



Adopted Safeguards	How Team National Complies
<p>To qualify for ongoing commissions, distributors are required to make ongoing retail sales to customers per reporting period.</p>	<p>IMDs are qualified to earn commissions when they make ongoing retail sales to customers. The first year they are required to make two sales and each year thereafter.</p>
<p>An industry standard buyback policy for product returned by terminating distributors.</p>	<p>We refund 100% of un-used, un-opened Products purchased within 12 months less a 10% restocking fee.</p>
<p>No purchase or investment is necessary to become a Company IMD other than the purchase of, or payment fee for, a sales kit which is sold "at Company cost." (Purchase is optional in North Dakota). This "at cost" sales kit fee covers basic and ongoing sales and marketing materials and support in both written and electronic and online media formats, including product and service updates. Similar support is available to IMDs if they renew as an IMD for an additional term. The at cost IMD sales kit fee is 55\$. The fee includes getting started marketing materials, DVDs and CDs. Additionally, per the terms of the IMD agreement, there is an option to renew as an IMD yearly by paying a \$25 annual renewal fee. This option can be executed by the IMD by logging on to bign.com, selecting IMD Resources/special forms/IMD renewal and paying the \$25 renewal fee.</p>	<p>The Industry buy back policy for Products also applies to the IMD starter Kit-fee. Our Policies and Procedures, IMD Agreement, IMD Disclosure form and Marketing material clearly state these facts.</p>
<p>An Income Earnings Disclosure is presented in all Corporate created marketing material, on the Team National website and IMD (Independent Marketing Director), training material.</p>	<p>All Corporate Created Marketing material presenting the Team National Business Opportunity includes the Team National Income Earnings Disclosure. All IMDs (Independent Marketing Directors) receive a copy of the Income Earnings Disclosure in the IMD Game Plan training book.</p>
<p>Distributors may not buy into levels or positions.</p>	<p>Team National, Inc., will not sell a level or position. IMDs may choose to sell their business according to policy.</p>
<p>We encourage distributors who sponsor other distributors to provide ongoing contact, communication and supervision with their sales organization.</p>	<p>We suggest each up line provide ongoing support and contact with their downline.</p>
<p>Commissions and bonuses are derived from sales to, and use by, the ultimate consumer as opposed to headhunting fees.</p>	<p>According to our compensation plan, IMDs are compensated based on membership sales to the consumer.</p>