



Compliance Concerns

YTB realizes most of our Reps and Travel Site Owners (Affiliates, Referring Travel Agents, and Travel Agents) conduct their business in agreement with the Policies and Procedures that have been set in place. However, it has been recently brought to our attention that there are some occurrences in the field where this is not the case. This document serves to underscore important information that needs to be adhered to by the field, assuring compliance with all rules and regulations both internally and externally.

1. Income Disclosure Statement (IDS)

- A **paper copy** of the IDS must be provided to each individual at all meetings, presentations, etc.
- It is not sufficient to just make a verbal reference to the IDS.
- See Rep Policies and Procedures 3.18:
A copy of the IDS must be presented to a prospective REP (someone who is not a party to a current REP Agreement) anytime the Compensation Plan is presented or discussed, or when any type of income claim or earnings representation is made.
- Bottom line: Always provide a printed copy of the IDS anytime YTB is presented.

2. Income or Lifestyle Claims

- Income claims are never to be made.
- Comments like these are never to be made:
 - “The Company has paid me over a million dollars in three years.”
 - “There are people making nothing, and there are people making \$4 million.”
 - “We made \$36,000 in the first month.”
- See Rep Policies and Procedures 3.17
A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and are phrased in terms of “opportunity” or “possibility” or “chance.” Claims such as “My YTB income exceeded my previous full-time salary after six months in the business,” or “Our YTB business has allowed my wife to quit her job and be a full-time mom” also fall within the purview of “lifestyle” claims.
- Bottom line: Avoid all references to income and lifestyles.

3. Commission Earned on Travel

- Please clarify travel commission to prospects - As an Affiliate, you earn 60% of the travel commission paid to YTB TN. As an RTA, having paid for and completed the First Class Training (FCT), you will then receive 70% of the travel commission paid to YTB TN.
 - Example: The cost of a hotel booking was \$200. The vendor paid 10% commission to YTB TN, which is \$20. Since it was booked before 10/18 the RTA receives 60% of the commission paid to YTB TN (\$20), which equals \$12. Had the booking been made after 10/18 and the RTA passed the FCT test they would have received 70% of the commission paid to YTB TN.
- Comments like these are never to be made:
 - “You can get Passports guaranteed in 24 hours, and you earn 60% commission.”
 - “Book airline tickets on your website and get 70% commission.”
- See RTA Policies and Procedures 2.1
They receive 60% of the travel commission paid to YTB TN.

To become a Referring Travel Agent (“RTA”), one must complete all of the above AND enroll, pay for, and complete a First Class Training (“FCT”). An RTA who has accomplished this will receive a ten percent (10%) increase in their share of travel commissions paid to YTB TN for travel booked and completed by the RTA’s customers. To become a Travel Agent, one must complete all the above AND enroll, pay for, and complete all “E-campus” travel training modules.
- Bottom line: Make it clear that commissions paid are a percentage of the total commission paid to YTB on a travel transaction.

4. Compensation Plan

- When presenting the Compensation Plan be specific and detailed. The Compensation Plan is available for download in the Back Office.
- Comments like this are never to be made:
 - “From the RTAs you sign up you receive \$50 per person then from the people they enroll you get more money.”
- Bottom line: Be very clear in your explanation of the compensation plan.

5. Selling of Items

- The selling of items is strictly prohibited at any YTB event. This includes YTB items or products that you have created on your own (i.e. books, training videos, etc), unless approved in writing by YTB prior to the event.
- A Director may not market to his/her YTB downline any Director-produced sales materials, presentations and training programs.
- YTB does not allow the sale of any item or training material, with or without the company’s name or logo at any YTB event or meeting.
- See Rep Polices and Procedures 2.4 and 3.7

2.4 In presenting the REP position to prospects, REP agrees that such presentations shall be made strictly according to the following format:

e) REP shall not offer to buy or sell any sales lead, product, material, or service to or from any current REP or RTA.

3.7 COMPANY does not allow REP to sell any item of clothing, marketing, advertising or training material, with or without COMPANY logo at any COMPANY (or affiliated companies) sponsored event, including COMPANY'S national convention or other training events.

- Bottom line: No selling of any materials at your YTB meetings or promoting through emails to your YTB database.

6. Charging of Fees

- A Director may charge up to \$10 per person for a Director-sponsored meeting or event. (Per the Director Agreement)
- You may charge up to \$10 for a meeting 2 hours or less in duration. .
- You may charge up to \$20 for a meeting that lasts longer than 2 hours.
- Additional options must be listed separately. (i.e. The cost of the meeting is \$10.00. There will be an optional lunch buffet; cost for the buffet will be \$16.00)
- Bottom line: Maintain strict adherence to the policy of charging of fees.

7. Tax Advice

- Do not give tax advice. Instead, suggest that they speak to their tax professional.
- Comments like this are never to be made:
“Write off your entire vacation as a tax advantage.”
- Bottom line: For tax advice please consult a tax professional.

8. Religion

- YTB meetings may be perceived as a “spiritual” environment to some. However, we believe “business is business” and that YTB business should be the sole focus of the meetings.
- Bottom line: Practice and profess your spiritual beliefs, but business is business at your YTB event.

9. Question/Answer

- If you ask for written questions at a meeting, please make sure you answer them or provide an alternative such as an e-mail response.
- When responding to questions, keep in mind that your words may affect a person’s decision to purchase a travel website.
- With the launch of thefactsaboutytb.com, you may point people to the site for responses to their questions.

- Bottom line: If you agree to address questions from the audience, be sure to answer truthfully and concisely or direct them to: thefactsaboutytb.com

10. Paper Application

- The use of a paper application for the intent of purchasing a YTB travel store is strictly prohibited.
- The YTB paper application was eliminated in the first quarter of 2008 for the following reasons:
 - Confidentiality of person's sensitive information (i.e. credit card information, taxpayer identification number).
 - Electronic agreement to the Policies & Procedures and Terms & Conditions as they sign-up to purchase a travel store.
 - Protecting the consumer from possible identity theft concerns.
- Bottom line: Do not use a paper application under any circumstances.

11. Personal or Team Events

- Please do not include "YTB" in your promotion of personal or team events. Do not lead someone to believe that a personal or team event is sponsored by YTB corporately.
- When conducting a YTB corporate event (such as the "World's Largest Travel Party), do not include information or presentations referring to personal or team events.
- Bottom line: Make sure there is a clear distinction between a YTB endorsed event versus a personal or team meeting.