

Explanation of Coastal Vacations' Association Structure

* Just a note.... you don't need to say all this to everyone... usually a simple answer like the following one will satisfy most people's concerns:

"All the companies we represent are listed with the BBB, are licensed and bonded, and some are even publicly traded... we are just resellers of their services. But if you're gonna check one of them out, you may as well check them all out... most of them have websites... just do a search for Carnival, or Quest or any of the others and check them out!"

(Now people that are really concerned about how Coastal is set up will need a more detailed answer, in which case, you'll need to use the following information to satisfy their curiosity about the structure of Coastal and how it's run. Just feel out each situation and use what's appropriate.

Coastal Vacations is not a corporation, therefore, we are not listed or publicly traded. Coastal Vacations is nothing more than an association of Directors.... and for good reason. Most direct-sales companies go out of business in their first 5 years for the same reason.... the cost of frivolous law suits. Basically, what happens, is there's always one idiot...one of the "independent distributors" or "associates" ... that always does something stupid or unethical and gets himself sued. But since individuals never have much, they always go after the deep pockets behind him, if there are any. If he represents a corporation, THEY will pay the price in litigation fees. Even though the companies usually win the cases, since it's not really their fault that the associate was dishonest, they still end up going bankrupt from the costs of defending themselves. And everyone else in the company suffers.

When Coastal Vacations was set up, the original founders thought long and hard about the best way to set it up. They didn't want to see Coastal disappear like all the other companies.... that's simply not fair to all the honest people who depend on that company to make their living. So, they set it up perfectly.....

I told you, Coastal Vacations is nothing more than an association of Directors. All the decisions for Coastal Vacations are made by the Board of Directors. The Board consists of people just like you and me... they make \$1000 per sale, just like we do. They don't receive any "extra" compensation just for being on the Board. They just get extra responsibilities and a say in any changes that may affect the package. It's not an exclusive club or group, anyone can be on the Board of Directors. You can receive an invitation any time after you have completed 100 sales and have attended a Level 2 event.

Because there's no one skimming profit off the back end of every package sale, there IS NO "pot of gold" for sue-happy people to go after. As a director, when you purchase packages for your client, you will be sending your money directly to the shipping and fulfillment center... not to Coastal, not to the Board..... straight to the company we've contracted with to ship and fulfill for Coastal. That's why we're able to make such a wonderful commission... there aren't any people building a profit into the price. We pay exactly what it costs for the printing of the vacation certificates, membership cards, and membership directories, handling, shipping and the beautiful zip-up leather binder that the whole thing comes in... nothing more.

We do not need to have a corporation, because we have no liability. When a client purchases a package from you, your only obligation is to deliver the product. You're role in their vacation experience stops right there. When they activate their vacations, they deal with the shipping and fulfillment center, not you. When they call to make their reservations, they call the travel agent, not you. And, finally, when they go on the vacation, they deal with the hotel or cruise line, not you. If their food is cold, or their reservation was wrong, do they come back to you to complain? Of course not... they call the travel agency or the hotel or the cruise line and THEY make it right with the customer. Your job is only to sell the package. Your liability stops there. So there is no need to be listed with the Better Business Bureau.... all the travel agents, hotels and cruise lines already are. If there are any complaints or problems, they will go directly to them, not to us. We are completely independent... we are purchasing a product that represents multi-million dollar companies with impeccable records, and we are simply reselling that product. Those large companies actually service it. Not us.

Because they thought enough to set it up this way, you and I will never lose our opportunity. Our ability to make money with Coastal will never be jeopardized. No one can touch Coastal as a whole... we are immune from the things that normally ruin good businesses. If someone does something unethical, they will be personally sued by their clients, as well they should, and it will not affect the rest of us who are honest and have integrity in our business practices.

This truly is the **perfect** opportunity.