



Customer Purge Rules

ACN's Compensation Plan is designed to reward Independent Business Owners who acquire new customers and retain their existing customers. Therefore, it is important that we establish rules for when a customer counts toward CAB and position qualifications.

All active customers continue to count toward position and CAB qualifications until they are removed from active status or "purged". If a customer has multiple lines on the account, and only one of the lines purges, the customer will remain on the Personal Customer List and will count toward qualifications.

Customers are purged once per month. **The purge occurs the weekend following the last Friday of the month.** Purged customers are removed from the customer list and no longer count toward qualifications. ACN continues to store the data on all customers, and the purge process has no impact on the customer's service or billing status.

FREQUENTLY ASKED QUESTIONS

How do I know that my customer is scheduled to purge?

The personal customers that are scheduled to purge are listed in a separate section of the IBO's Personal Customer List. The reports will list both the customer and the date that the customer is scheduled to purge. These customers will receive a scheduled to purge date within two months prior to their actual purge date.

What happens if a purged customer begins to use ACN's services?

If a customer that is either purged or scheduled to purge due to service being cancelled or rejected begins to use their service, the customer will be changed to active status ("un-purged"). This means that this customer will once again count toward CAB and position qualifications. If a customer that is either purged or scheduled to purge due to non-usage begins to use their service and produce an invoice, that customer will un-purge and return to Active status on the following purge weekend. During each monthly purge, ACN compares the customers that were billed for service in the month against those that are purged or scheduled to purge. Those customers that were billed but were purged will be returned to active status and will count toward qualifications. Those that were scheduled to purge will continue to count as active and will no longer be scheduled to purge.

Customers with incomplete status:

Customers with a status of incomplete do not count as active and are displayed in a separate section of the Personal Customer List. These customers do not count toward CAB or position qualifications. If the reason that they are incomplete is not resolved within sixty days, they will be removed from the Personal Customer List.

A customer will be purged for the following reasons:



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SERVICE NOT CONNECTED OR CANCELLED/INACTIVE

If a completed service application is received and entered but the customer cannot receive ACN service, then that customer is considered rejected. In these cases, a rejection notice may come from the carrier that ACN uses or from the telecom company. The reason why the customer was rejected will be displayed on the IBO's Personal Customer List. The customer will be purged on the purge date that follows the next monthly commission run (weekend following the first Friday of the month).

Customers who cancel within their first 90 days of service will purge immediately regardless of reason. After 90 days, the customer will be purged on the purge date that follows the next monthly commission run.

The Schedule to Purge Date will appear on the Personal Customer List the working day following the cancellation.

NO LONGER BILLING OR SERVICE UNABLE TO BE CONNECTED

If a customer has no usage for three consecutive billing months, and there is no billing for three months, then the customer will be scheduled to purge. Plans with a monthly recurring charge (MRC) that are active will continue to bill and count toward qualifications regardless as to the amount of usage. The purge will occur the third month following three consecutive months of no billing.

For U.S. Energy customers, if no revenue is received for 6 months from the Flow Start Date, the customer will be scheduled to purge. Incomplete customers whose status does not change to complete in 60 days will be scheduled to purge as service unable to be connected.

For new customers, the first billing period will be considered to be their first month.

SOLD/PENDING ACTIVATION

This applies to Satellite TV and Home Security customers who have placed their order, but their service was not installed within 30 days. These customers will be scheduled to purge on the purge date that follows the next monthly commission run. When the carrier notifies ACN of an installation, then the customer will no longer be scheduled to purge.

ACCOUNT ESTABLISHED - WAITING USAGE (Merchant Services only)

If a Merchant Services lead has been confirmed as a customer and at least 6 months have passed since their order entry date, the customer will show a scheduled to purge status beginning month 4 if no Active Account status is received.

UNPURGING

If ACN receives a connected status, the account will unpurge within 24 hours. Once unpurged, customers will show in the complete section of the IBO's PCL and will count toward qualifications.

Merchant Services customers may unpurge if they re-activate their account within 9 months from their start date.

CANCELLED DURING TERMINATION PERIOD (Digital Phone Service and Energy customers)

This applies to customers who have requested service, however decided to cancel within their termination period (within 90 days of the customer start date). These customers will purge immediately upon notification of cancellation, and/or disconnection, and no longer count for qualification purposes.

CANCELLED OR NO USAGE (Merchant Services only)

If a Merchant Services customer cancels during their contract term, the customer will be scheduled to purge in one cycle. In addition, should it be determined that a customer has not used the service within months 4-6, this may also result in the customer being scheduled to purge in one cycle.