



Sustainable Aquatics

110 W. Old Andrew Johnson Highway

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4 March 2013

Memo to Sales Staff
From: John Carberry

As part of the qualification for opening up an account with Sustainable Aquatics, these requirements must be met and confirmation obtained without exception:

- a) Copy of a valid business license
- b) Copy of a valid Tax ID certificate, either Federal or State
- c) Verification that the address on these two proofs, the address on both proofs being the same, is for a non-residential, commercial property dedicated to aquarium products and at least in-part to selling marine ornamentals
- d) Completed credit card account application
- e) Sustainable Aquatics will only ship to the address for the commercial property with exceptions being allowed for reasons such as weather, UPS pick up, or counter-to-counter airline shipment

We are dedicated to supporting what are called the “brick and mortar” businesses which are the foundation of our industry. Unless they are healthy, our industry cannot survive. They provide the infrastructure, inspiration, teaching, entertainment, supplies, and support of our hobby that only they can provide. Selling to individuals who operate solely by mail order, sell from basements or garages, or organize club purchases results in damaging price-cutting, erosion of margins, and loss of sales for the brick and mortar stores.

These brick and mortar stores support infrastructure that is vital to our industry and hobby. These stores also bear costs such as rent, insurance, utilities, staffing, capital costs for fixtures and inventories, business license, state and other sales taxes, and full-time husbandry of systems and animals. Unless we support these businesses with our loyalty and fidelity to the principle that they are the foundation of our business, we cannot expect our industry to thrive or grow. As SA grows, we can be a strong advocate for this important principle.

I know that this matter comes-up often. We are routinely contacted by reef clubs, individuals running home-based or other non brick and mortar businesses, and individuals simply trying to purchase direct to save or make money. This results in our having to say “no” and offer an explanation of our position. The purpose of this memo is to set-up a qualification protocol for the brick and mortar stores. If an applicant does not qualify, we simply have to tell them where they failed to qualify for setting up an account and invite them to reapply when they can resolve the shortfall in qualification criteria. I am comfortable with your sharing this memo with the public or posting it on our web site under the tab, “Contact Us” and alongside the documents provided when potential customers apply for an account.

Sincerely,
Sustainable Aquatics, Inc.

John Carberry
CEO