



This Agreement is made and entered into by and between **LegalShield** (hereinafter “**LS**”) and \_\_\_\_\_, (hereinafter “**Broker/Agent**”).

### **SECTION ONE: AUTHORITY OF BROKER/AGENT**

LS markets Legal Plan memberships and Identity Theft memberships to individuals and groups throughout the United States and Canada, as appropriately authorized. Pursuant to the terms of this Agreement, Broker/Agent is hereby appointed and authorized to market both membership plans offered by LS, provided Broker/Agent is authorized and appropriately licensed, if required pursuant to law, to solicit such memberships according to the various state or national requirements.

Broker/Agent is an independent contractor in its relationship with LS and it is not the intent of the Parties hereto and nothing contained herein shall be construed to create an employer-employee relationship, partner or joint venture relationship or any other relationship other than the contractual relationship set forth herein. As such, the Broker/Agent has full and sole control and authority over his/her daily activities and the right to exercise his or her own judgment as to time, place or manner of soliciting the memberships herein. Servicing memberships, as required by LS, shall be according to Broker’s/Agent’s control within the requirements set for LS. The Broker/Agent is permitted to market and sell memberships of LS as specified and s determined by LS.

Broker/Agent is not authorized to make any contract or incur any obligation in the name of, or on behalf of LS without specific authority so authorizing Broker/Agent. Broker/Agent shall not make, modify or amend any application for membership or membership contract or extend the time for making any payment which may become due for any membership, nor may they waive any of LS’s rights, conditions or requirements pursuant to its membership policies or applications.

Broker/Agent shall have no authority other than that expressly granted herein, and no forbearance or neglect on the part of LS shall be construed as a waiver of any of the terms of this Agreement nor imply the existence of any authority not herein expressly granted.

### **SECTION TWO: DUTIES OF BROKER/AGENT**

Subject to the requirements imposed by law, the terms of this Agreement, the underwriting guidelines, and other written regulations of LS, the Broker/Agent may:

- a) Solicit memberships, receive applications and payments therefor, and transmit to LS all such applications and payment proposals for LS membership contracts

- b) Exercise the Broker's/Agent's authority personally or through the Broker's/Agent's authorized employees. Broker/Agent hereby represents, covenants and warrants to LS that any Broker/Agent and any employed representative of Broker/Agent are (and will be throughout the term of this Agreement) in full compliance with any and all applicable insurance licensing and regulatory requirements in each location where LS offers the membership Products covered by this Agreement and where LS provides memberships for Broker's/Agent's clients. Upon request from LS, Broker/Agent shall provide LS reasonable evidence of its compliance with such licensing and regulatory requirements. For any business placed with LS through Broker/Agent, LS recognizes only the Broker/Agent, not Broker's/Agent's representative or sub-producer, as the Agent of record and will hold Broker/Agent fully responsible for all duties and obligations under this Agreement as well as compliance with applicable insurance laws and regulations for such business of Broker/Agent and its sub-agents and employees.
- c) Broker/Agent shall promptly, within forty eight (48) hours, forward all membership applications, receipts, negotiable papers and any fees collected, to LS's home office. Broker/Agent accepts and is hereby responsible for any and all money collected by Broker/Agent or its sub-agents and or employees.
- d) Broker/Agent shall be solely responsible for reporting and paying any federal or state income taxes resulting from sales commissions paid to it and to pay any and all license or bond fees, and taxes required by any state, local or municipal law for the right to solicit or sell memberships covered by this agreement.
- e) Broker/Agent shall be solely responsible for obtaining and renewing any such license(s) from year to year that any state, local or municipality may require for soliciting applications for LS memberships offered for sale through Broker/Agent. Broker/Agent will further work with its sub-agents to ensure their appropriate licensure. Attached as an addendum is a summary of the states which require Broker/Agent to be licensed to solicit applications for legal plans.
- f) Broker/Agent is authorized, pursuant to this agreement, to use only the promotional and printed material which has been specifically approved in writing or published by LS for use in the solicitation of applications. LS shall provide membership brochures and enrollment forms at no expense to Broker/Agent in appropriate amounts based on Broker's/Agent's performance history.
- g) Broker/Agent shall appropriately service all employee benefit (group) accounts that it solicits or that are assigned to Broker/Agent by LS. Broker/Agent has the absolute right to designate who will call upon and solicit additional applications from persons within group accounts If the group account is assigned to Broker/Agent by LS, then and in that event, Broker/Agent recognizes and acknowledges that membership sales from any such assigned group account

remains the sole property of LS. Broker/Agent may receive commissions for servicing and re-enrolling such assigned group accounts, but Broker/Agent acknowledges that such accounts remain the sole and exclusive property of LS.

- h) Broker/Agent or their designee will meet with representatives of all Group Accounts on an as needed basis and will at least annually provide employees of Group Accounts to enroll in current products being offered. Further Broker/Agent shall immediately respond to all requests from Group Accounts. Broker/Agent shall report on a regular basis the status of Group Accounts and any requests received from Group Accounts.
- i) Broker/Agent shall abide by all federal, state, county and municipal laws, rules, regulations ordinances and requirements with respect to solicitation or sales of the memberships covered by this Agreement. Broker/Agent is responsible for providing its social security or tax identification number to LS for tax reporting requirements.
- j) Broker/Agent shall cause its employees, agents and subagents to comply fully with the terms of this Agreement and Broker/Agent shall be responsible to LS for any such failure to comply by either Broker/Agent or any sub-agent or employee.

### **SECTION THREE: DUTIES OF LEGALSHIELD**

LS shall be responsible for payment of all commissions on memberships offered for sale through Broker/Agent. On memberships issued upon applications submitted by Broker/Agent and as full compensation for said services, a sales commission shall be paid on the receipt of earned membership fees paid to LS. Commissions shall be payable according to the Schedule of Commissions attached hereto as an addendum. LS reserves the right to amend the Schedule of Commissions from time to time, but any such change shall not affect commissions due or to become due to the Broker/Agent on memberships issued with an effective date prior to the date such changes becomes effective.

Chargebacks--Paid commissions to Broker/Agent are subject to charge-back if the commissions are not earned due to termination of a membership; in that event LS will charge back or off-set said amount to Broker/Agent said commission previously paid which will reduce future commission payments to said Broker/Agent.

At the request of Broker/Agent, LS shall assign a local sales associate to work with Broker/Agent at Broker's/Agent's various locations throughout the United States. The local sales associate shall assist in training individuals at the local Broker/Agent offices and assist in presentations to Broker's/Agent's various group accounts, when requested. The local sales associate shall also be available, when requested, to assist Broker/Agent in enrolling members in the LS plans being offered by LS and Broker/Agent. In the event Broker/Agent requests the local sales associate to participate in enrolling

members, Broker's/Agent's compensation shall be modified as set forth in the attached Addendum entitled "Schedule of Commissions" in order to allow commissions to be paid to the local sales associate.

#### **SECTION 4: TERM OF AGREEMENT**

The initial term of this Agreement shall be for a period of one year and shall automatically renew for successive one year terms unless terminated by either party by giving notice to the other party at least sixty (60) days prior to the end of the term or pursuant to termination for conduct prohibited herein at Section Five set forth hereinafter.

#### **SECTION FIVE: PROHIBITED CONDUCT**

Broker/Agent shall not engage in any of the following conduct:

- a. The ownership, use, and control of expirations, the records thereof, and the Broker's/Agent's work product, shall remain the undisputed ownership and possession of the Broker/Agent. LS shall not use its records of the expirations in any marketing method for the sale, service, or renewal of any form of insurance coverage which specifically abridges the Broker's/Agent's right of exclusive ownership, use, and control of the expirations, nor shall the Company refer or communicate this expiration information or work product to any other Broker/Agent, or other party.
  - i) However, in the event of termination of this Agreement, if the Broker/Agent has not then properly accounted for and paid all premiums to the Company for which he or she is liable under this Agreement, the use and control of the Broker's/Agent's expirations, including all rights, title, and interests in and to the records thereof, shall be vested in the Company as of the date of such termination. In the exercise of the Company's right to collect any indebtedness due from the Broker/Agent through the ownership, use, and control of the Broker's/Agent's expirations, the Company shall use reasonable business judgment in selling the expirations and shall be accountable to the Broker/Agent for all sums received which, net of expenses, exceed the amount of indebtedness. The Broker/Agent shall remain liable for the excess of the indebtedness over the sums received by the Company. Any indebtedness due from the Broker/Agent shall not prevent applying this section in favor of the Broker/Agent if the Broker/Agent furnishes collateral security acceptable to the Company in the amount of such indebtedness, to be held by the Company until the indebtedness is satisfied.
  - ii) Broker/Agent may not induce or attempt to induce, other agents of LS or any members to leave LS during the term of this Agreement and for a period of two years after any termination; or

- iii) Assigned Group accounts remain the property of LS and may be assigned to a Broker/Agent for service, but assigned group accounts remain the property of LS.
- iv) New group accounts solicited and brought to LS by Broker/Agent remain the property of the Broker/Agent.
- v) So long as LS is performing its responsibilities under its membership contracts, the Broker/Agent shall not personally solicit or supervise, or direct the solicitation of, applications for any other prepaid legal service company or identity theft company to any individual or to persons within any group accounts of LS during the term of this Agreement for a period of two years after termination Broker/Agent may not directly or indirectly divulge to any person or entity, the names or other pertinent information of LS members; or
- vi) Utilize any LS trade secrets or confidential information, including, but not limited to, member names and group account member names for any business or monetary consideration other than LS business.

#### **SECTION SIX: TERMINATION OF AGREEMENT**

LS shall have the right to terminate this Agreement:

- a. Immediately, if Broker/Agent wrongfully withholds any funds, membership applications or payments, premium receipts, vouchers, LS brochures or literature used for marketing, memberships lists and group account membership lists or other property belonging to LS;
- b. Immediately for actions or statements by Broker/Agent or any of its authorized subagents which LS, in its sole discretion, determines to be contrary to the best interests of LS, including without limitation, if Broker/Agent violates the terms of this Agreement, misrepresents LS's name, using the name of any provider attorney firm inappropriately, makes product/service claims or earnings claims contrary to LS's marketing material or policies, reveals any LS trade secrets, including without limitation, names of associates, members or group account memberships.
- c. With thirty (30) days written notice to Broker/Agent if Broker/Agent shall fail to work with LS to reappoint an agent in a Broker/Agent shall fail to work with LS in a group where servicing requirements have not been met and LS has requested assistance in appointing an alternative agent.
- d. With thirty (30) days' notice to Broker/Agent if Broker/Agent fails to market or actively work to obtain memberships without a legitimate reason for not doing so.

Broker/Agent may terminate this contract upon 30 days written notice to LS and receipt of said notice by LS.

Upon termination of this Agreement, Broker/Agent shall no longer be entitled to bonuses or commissions on new membership sales. Provided this Agreement remains in force for at least two (2) years, earned commissions shall continue to be paid to Broker/Agent so long as membership contracts continue in effect and payments by members are made to LS.

The provisions of Sections Five, Seven and Eight herein shall survive termination of this Agreement.

#### **SECTION SEVEN: INDEMNIFICATION**

Broker Agent hereby agrees to indemnify and keep indemnified, defend, save and hold harmless LS and affiliated companies, their directors, officers, agents and employees, from any and all claims, demands, losses, damages, actions and causes of action, including, without limitation, all expenses, costs and reasonable fees and expenses of attorneys that LS its directors, officers, agents or employees at any time and from time to time may sustain or incur by reasons of Broker's/Agent's failure to abide by the provisions of this Agreement or arising or resulting from any negligent acts or omissions of Broker/Agent or its agents, officers or employees.

LS hereby agrees to indemnify and keep indemnified, defend, save and hold harmless Broker/Agent and its agents from any and all claims, demands, losses, damages, actions and causes of action, including, without limitation, all expenses, costs and reasonable fees and expenses of attorneys that Broker/Agent its directors, officers, agents or employees at any time and from time to time may sustain or incur by reason of LS's failure to abide by the provisions of this Agreement or arising or resulting from any negligent acts or omissions of LS or its officers or employees.

#### **SECTION EIGHT: MISCELLANEOUS**

This Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma.

This Agreement constitutes the entire agreement between the Broker/Agent and LS and no amendment may be made, either written or oral, without the signature of an authorized officer of LS.

All disputes or claims relating to LS, this Agreement and any other LS policies, products and services, the rights and obligations of the Broker/Agent and LS or any other claims or causes of action between the Broker/Agent or LS or any of its officers, directors, employees or affiliates, whether in tort or contract, shall be settled totally and finally by arbitration in Oklahoma City, Oklahoma in accordance with the Commercial Broker/Agent Agreement (10/12) Page 5 of 6 Arbitration Rules of the American Arbitration Association, including the optional rules for emergency measures of protection. If Broker/Agent files a claim or counter-claim against LS or any of its officers, directors, employees or affiliates in any such arbitration, Broker/Agent shall do so only on an individual basis and not with any other entity or sales associate of LS or as a part of a class action. Judgment on any award may be entered in the Oklahoma County District Court or in the United States District Court for the Western District of Oklahoma. Broker/Agent hereby consents to the jurisdiction and venue of such arbitration and such courts.

In the event that a provision of this Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable, and the balance of this Agreement will remain in full force and effect.

The failure of LS to insist upon strict compliance with any of the provisions of this Agreement shall not be deemed to be a continuous waiver in the event of any future breach or waiver of this Agreement.

#### **SECTION NINE: ASSIGNMENT**

This Agreement may not be assigned, whether voluntarily or by operation of law, by Broker/Agent without the consent of LS, which consent, shall not be unreasonably withheld.

#### **SECTION TEN: CONFIDENTIALITY**

Broker/Agent agrees that, during the course of its contractual relationship with LS and following the termination of its contractual relationship with LS not to disclose or distribute or threaten to disclose or distribute to any third person, firm, corporation, company, entity, or association, for any purpose, any of LS's confidential or proprietary information, without the express written consent of the Company.

For the purposes of this Agreement "Confidential Information" is defined as any secret or proprietary information relating directly to LS and/or and that of LS's other affiliated companies and subsidiaries, including, but not limited to, pricing policies, employment records and policies, operational methods, marketing plans and strategies, business development techniques or plans, business acquisition plans, new personnel acquisition plans, trade know-how, trade secrets, specific software, algorithms, computer processing systems, object and source codes, user manuals, systems documentation, all data, writings, work papers, photographs, catalogs, microfilm, tape recordings, documents and other tangible materials, and other business and financial affairs of the Company (including its affiliated companies and subsidiaries).

Broker/Agent additionally agrees that, upon the termination of its contractual relationship with LS, it will immediately deliver to LS any property of the Company which is in its possession, including, without limitation, any confidential information as referred to in the above paragraph.

#### **SECTION ELEVEN: BREACH**

The Broker/Agent acknowledges and agrees that a breach or threatened breach of any of the provisions of this Agreement would cause LS to suffer irreparable damage that could not be adequately remedied by an action at law. Accordingly, in the event of a breach or threatened breach by Broker/Agent of any provision of this Agreement, LS shall, in addition to any other remedies available to it, including monetary damages and attorney's fees, be entitled to a temporary restraining order and a preliminary and permanent injunction restraining Broker/Agent from breaching or threatening to breach this Agreement.

#### **SECTION TWELVE: PRODUCER SALE OR TRANSFER**

Broker/Agent shall give not less than thirty (30) days prior written notice to LS of any termination, sale, or transfer of its business, or its consolidation with a successor firm. Broker's/Agent's rights or obligations under this Agreement may not be assigned or assumed or in any way transferred without the prior written consent of LS.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their signatures, all as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Broker

By: \_\_\_\_\_

Title: \_\_\_\_\_

LEGALSHIELD

By: \_\_\_\_\_

Title: \_\_\_\_\_



## Broker/Agent Schedule of Commissions

All commissions are expressed as a percentage of the membership fees paid by the individual member and are amounts paid to Broker as writing agent. Amounts shown are the commission percentages applicable to LegalShield’s family plan memberships, business plans and the standard identity theft plan. Percentages shown represent the total amount of commissions available including the indicated bonus level when Broker is presenting the products and enrolling members.

Commissions are paid as membership fees are collected by the company. Qualification for Bonus Level is based on membership sales. A membership is a new legal plan membership or stand-alone identity theft plan. If an individual has any plan active with the Company (or has had an active plan of any type within the last six months) the plan is not a new membership and does not count for Bonus Level.

Broker is eligible for bonus level commission on all sales made after 1000 sales. Once Broker has sold 1000 memberships, Broker shall receive the additional bonus compensation as indicated below on new sales so long as at least 750 memberships remain active. If the active memberships drop below 750, Broker compensation shall drop to the regular commission rate until such time as 1000 memberships are active. Broker will then be eligible for bonus level commissions again as long as the active memberships stay at or above 750.

|                       | Legal Plan<br>(Under 2000 EEs) | Legal Plan<br>(Over 2000 EEs) | Identity<br>Theft | Small<br>Business | Commercial<br>Driver |
|-----------------------|--------------------------------|-------------------------------|-------------------|-------------------|----------------------|
| First Year Commission | 16.0%                          | 12.2%                         | 16.0%             | 12.2%             | 36.4%                |
| Renewal               | 16.0%                          | 12.2%                         | 16.0%             | 12.2%             | 10.12%               |
| Bonus Commission      | 3.5%                           | 2.6%                          | 3.5%              | 2.7%              | 3.0%                 |
| Bonus Renewal         | 3.5%                           | 2.6%                          | 3.5%              | 2.7%              | .76%                 |

Commission percentages for other specialty plans may vary from the percentages shown above.

In the event that a LS associate is also involved in the presentation and enrollment of members with Broker, then Broker and the LS associate shall agree to the appropriate application split. When Broker makes an introduction for a LS associate, but does not otherwise participate in presentations and enrollments of members, the compensation to Broker shall be a total of 4%.

## LegalShield and Subsidiaries

| State          | Operating Comp/Ins             | Comp Appt    | Testing Type  | Pre-Lic Course Required | CE Required           | Lic Type Accp.               | Associate License Info and Fees   |
|----------------|--------------------------------|--------------|---------------|-------------------------|-----------------------|------------------------------|---|
| ALABAMA        | Casualty<br>Legal Service      | Required     | Not Required  | Not Required            | Not Required          | Legal Service                | Licence Application Fee \$60/ Apt Fee \$30<br>Lic Renews Biennially BM \$40/ Apt exp. Annually 12/31 \$10                               |
| ARKANSAS       | Casualty<br>Limited Lines      | Required     | Not Required  | Not Required            | Not Required          | Limited Lines<br>Casualty    | Lic. Renews Biennially on BM \$70/ Apt Renews exp 6/30 no fee   |
| FLORIDA        | Florida<br>Legal Expense       | Required     | Not Required  | Not Required            | Not Required          | Legal Expense<br>(02-20) P&C | Lic. App Fee \$55/Fingerprint \$55.50/ Apt Fee \$60<br>Apt exp. Biennially on BM \$60   |
| ILLINOIS       | Casualty<br>Limited Lines      | Required     | Not Required  | Not Required            | Not Required          | Limited Lines<br>Casualty    | License Application Transaction Fee \$5/ Apt Fee \$58<br>Apt Renewal Annually on 12/31  |
| MASSACHUSETTS  | Casualty<br>Casualty Producer  | Required     | Casualty Test | Recommended             | 24 hrs<br>Triennially | Casualty                     | Lic App Fee \$300/Test Fee \$65/Apt Fee \$75<br>Lic Renews every 3yrs on BM \$275/ Apt exp. Annually 6/30 \$75                          |
| MISSISSIPPI    | Casualty<br>Legal Expense      | Not Required | Product Test  | Not Required            | Not Required          | Legal Expense                | Lic App Fee \$10/ Lic exp. Annually on 02/28 \$10   |
| MONTANA        | Casualty<br>Casualty Producer  | Not Required | Casualty Test | Not Required            | Not Required          | Casualty                     | Test Fee \$75/ License exp. Biennially on BM  |
| NEBRASKA       | Casualty<br>Legal Expense      | Required     | Not Required  | Not Required            | Not Required          | Legal Expense                | Lic App Fee \$60/ Apt Fee \$27<br>Lic Renews Biennially on BM \$60/ Apt exp. Annually 04/30 \$25  |
| NEW JERSEY     | Casualty<br>Producer           | Required     | Not Required  | Not Required            | Not Required          | Legal Expense<br>P&C and L&H | Lic exp Biennially on BM \$75/ Apt exp. Annually 05/01 \$25   |
| NORTH DAKOTA   | Services<br>Legal Expense      | Required     | Legal Test    | Not Required            | Not Required          | Legal Expense<br>P&C and L&H | Lic App Fee \$100/ Test Fee \$87/ Fingerprints \$72.50 Apt Fee \$10<br>Lic exp. Biennially on BM \$100/ Apt exp. Annually on 04/15 \$10 |
| SOUTH CAROLINA | Services<br>Non-Insurance      | Not Required | Not Required  | Not Required            | Not Required          | DCA Legal                    | Application Fee \$40/ Lic exp. Lic exp. Annually on 10/01 \$40  |
| TENNESSEE      | Casualty<br>Legal Expense      | Required     | Not Required  | Not Required            | Not Required          | Legal Expense                | Lic App Fee \$50/ Apt Fee \$33/ Lic exp.<br>Lic exp. Biennially on BM/ one time apt fee \$33  |
| TEXAS          | Services<br>Non-Insurance      | Not Required | Not Required  | Not Required            | Not Required          | Legal Service Rep            | Application Fee \$20, Lic exp. Annually on Date of Issue  |
| VIRGINIA       | LSPV<br>Legal Expense          | Not Required | Not Required  | Not Required            | Not Required          | Legal Service                | Lic App Fee \$50/ Lic exp. Annually on 06/30  |
| WISCONSIN      | Casualty<br>Legal Expense & PC | Required     | Not Required  | Not Required            | Not Required          | Legal Expense<br>Casualty    | License Application fee \$75/Fingerprints \$39<br>Apt Fee \$20/ Apt exp. Annually on 11/30  |

~States with no legal plan market activity-Alaska.

-In South Carolina the company is regulated by the Department of Consumer Affairs and in Texas by the Department of Licensing & Regulation.  
One of the company's subsidiaries offers plans in 4 provinces in Canada. In Manitoba there is a requirement for individuals to be licensed as a direct seller.

-Please see LegalShield company website for non-resident licensing information or contact the Licensing Department at (580)436-7424.