



ERS LIFE LLC - INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT is entered into by and between, ERS LIFE LLC,(dba) ERS Life Insurance Services LLC, a California Limited Liability Company, whose principal place of business is located at: 7901 Oakport Street, Suite 2888, Oakland, CA 94621 (hereinafter referred to as “ERS”), and the undersigned party, (hereinafter referred to as the “INDEPENDENT CONTRACTOR”).

RECITALS

Whereas ERS has developed various programs of financial needs analysis and marketing techniques that are proprietary to ERS; and,

Whereas ERS is continuously developing, modifying and pursuing new methods to do financial needs analysis and marketing techniques for the benefit its INDEPENDENT CONTRACTOR; and,

Whereas ERS is continuously seeking out the best product providers in the financial services industry for its INDEPENDENT CONTRACTORS; and,

Whereas INDEPENDENT CONTRACTOR desires to become a member of ERS and to avail himself or herself to the programs and expertise of ERS.

In consideration of the mutual promises, covenants and the aforementioned Recitals, ERS and INDEPENDENT CONTRACTOR do hereby mutually bargain and agree as follows:

1. RELATIONSHIP OF THE PARTIES

The INDEPENDENT CONTRACTOR shall be a member of ERS with all of the rights and privileges he is entitled to hereunder. The INDEPENDENT CONTRACTOR shall be a self employed independent contractor and ERS shall not control the INDEPENDENT CONTRACTOR's work hours, number of hours worked or place of work. At no time shall anything in this agreement be construed to create an employee-employer relationship between ERS and the INDEPENDENT CONTRACTOR. The INDEPENDENT CONTRACTOR does not hold a franchise or distributorship with ERS; nor is the INDEPENDENT CONTRACTOR an agent, partner or joint venturer with ERS.

2. COVENANTS OF THE INDEPENDENT CONTRACTOR

The INDEPENDENT CONTRACTOR agrees not to represent and/or hold him or herself out as an employee, owner, partner or agent of ERS. The INDEPENDENT CONTRACTOR agrees not to present him or herself to third parties as one who has the authority to make or execute contracts, agreements, covenants or obligations on behalf of ERS. The INDEPENDENT CONTRACTOR agrees to be appointed and coded under ERS's contracts with its affiliated insurance companies. The INDEPENDENT CONTRACTOR agrees to comply with all local, state, federal and international statutes, laws, ordinances and regulations in conducting his business under this Agreement. The INDEPENDENT CONTRACTOR agrees that he will not represent ERS membership as a business opportunity nor will he represent that ERS members will be compensated based on the number of persons they recruit to join ERS. The INDEPENDENT CONTRACTOR agrees to be solely responsible for payment of all federal, state and local taxes based on business, sales or income obtained under this agreement. (This includes, but is not limited to, income taxes, payroll taxes, self-employment taxes, unemployment taxes, sales taxes, franchise taxes, intangible taxes and personal property taxes.)

The INDEPENDENT CONTRACTOR agrees not to institute any legal proceedings against ERS; but, instead, shall submit any and all disputes with ERS, its officers, directors, employees and INDEPENDENT CONTRACTORS to binding arbitration pursuant to the rules of the American Arbitration Association. The INDEPENDENT CONTRACTOR agrees to comply with all policies, procedures, rules, regulations and guidelines of ERS and of all of its affiliated insurance companies with whom the INDEPENDENT CONTRACTOR may be appointed under ERS. The INDEPENDENT CONTRACTOR agrees not to use any advertising or promotional material other than those provided or approved by ERS or its affiliated insurance companies. The INDEPENDENT CONTRACTOR agrees not to share or pay any insurance commissions to ERS recruits before they are licensed.

3. DUTIES OF THE INDEPENDENT CONTRACTOR

The INDEPENDENT CONTRACTOR shall not place his financial interest ahead of his client's interests at any time and shall strive to keep his client's interests paramount at all times. The INDEPENDENT CONTRACTOR shall not misrepresent any product or service offered by ERS and its affiliated insurance companies. The INDEPENDENT CONTRACTOR shall conduct his business in a legal, ethical, honest and fair manner and in the best interest of his clients and ERS. The INDEPENDENT CONTRACTOR shall at all times remain current on his continuing education requirements so as to remain knowledgeable in representing ERS and its affiliated insurance companies. The INDEPENDENT CONTRACTOR shall not solicit nor accept any funds from his client that are not made payable directly to an ERS affiliated insurance company. The INDEPENDENT CONTRACTOR shall submit within 24 hours of completion by the client all applications for insurance policies solicited hereunder to ERS for suitability and compliance review prior to submittal to ERS's affiliated insurance companies. The INDEPENDENT CONTRACTOR shall promptly obtain cooperation from clients for all underwriting requirements necessary for underwriting approval. INDEPENDENT CONTRACTOR shall, within 24 hours of policy receipt, deliver and obtain delivery receipts for all issued policies.

The INDEPENDENT CONTRACTOR shall be responsible for the training and supervision of his downline recruits. Should ERS change its association with any insurance company, the INDEPENDENT CONTRACTOR shall transfer his appointments and coding to ERS's new affiliated insurance company. The INDEPENDENT CONTRACTOR shall be responsible for obtaining and maintaining all licenses and permits required by the appropriate governing authorities in doing business under this Agreement. The INDEPENDENT CONTRACTOR shall be responsible for obtaining Errors and Omissions insurance coverage for his insurance activities that covers ERS, its officers, directors, employees, agents and affiliated insurance companies from liability from the INDEPENDENT CONTRACTOR's errors and omissions. The INDEPENDENT CONTRACTOR shall protect and preserve the reputation, integrity and dignity of ERS and its affiliated insurance companies at all times and shall immediately report to ERS any improper behavior, violations, citations, warnings, for which INDEPENDENT CONTRACTOR has knowledge.

4. AUTHORITY OF THE INDEPENDENT CONTRACTOR

The INDEPENDENT CONTRACTOR is authorized by ERS to solicit applications for life insurance, annuities, accident and health insurance and any other financial products that may be provided by ERS and its affiliated insurance companies for which the INDEPENDENT CONTRACTOR is properly licensed and appointed. The INDEPENDENT CONTRACTOR has no authority to, and cannot, bind ERS or its affiliated insurance companies to any insurance policy or other financial instrument without their written consent. The INDEPENDENT CONTRACTOR is authorized to solicit recruits on behalf of ERS and to recommend any such recruits for licensing and/or appointment with ERS or affiliated insurance companies. The INDEPENDENT CONTRACTOR has no authority to make any representations on behalf of ERS concerning reimbursement of insurance licensing expenses to recruits. All such INDEPENDENT CONTRACTOR recruits must certify that they currently meet, or shall meet within 90 days of joining ERS, the requirements and qualifications necessary to become an INDEPENDENT CONTRACTOR under this

agreement. All recruits must execute an INDEPENDENT CONTRACTOR's Marketing Agreement; which shall, until accepted by ERS, be an offer by ERS to become an INDEPENDENT CONTRACTOR. Once accepted by ERS, the recruit shall become an INDEPENDENT CONTRACTOR in the downline of the INDEPENDENT CONTRACTOR who recruited him. The INDEPENDENT CONTRACTOR's authority under this agreement shall extend no further than is stated in this paragraph.

5. COMPENSATION OF THE INDEPENDENT CONTRACTOR

The INDEPENDENT CONTRACTOR's compensation shall be determined by his contract level authorization submitted to ERS by the INDEPENDENT CONTRACTOR's upline recruiting INDEPENDENT CONTRACTOR. The INDEPENDENT CONTRACTOR's compensation shall be computed in accord with ERS's current INDEPENDENT CONTRACTOR Promotion Guidelines. In the event commissions are not paid directly to INDEPENDENT CONTRACTOR by ERS's affiliated insurance companies, ERS will pay commissions to the INDEPENDENT CONTRACTOR semimonthly computed on the INDEPENDENT CONTRACTOR's contract level percentage times the net paid target or street level commissions received by ERS during the previous semimonthly pay period. The INDEPENDENT CONTRACTOR will become entitled to override commissions for any INDEPENDENT CONTRACTORS that he recruits, trains and supervises on an ongoing basis. Any such override commissions shall be computed and paid pursuant to the INDEPENDENT CONTRACTOR's contract level. The INDEPENDENT CONTRACTOR hereby agrees that any debit for chargeback from the insurance company for business upon which the INDEPENDENT CONTRACTOR has been paid, or for which an INDEPENDENT CONTRACTOR's downline INDEPENDENT CONTRACTOR has been paid, or any other obligation due from the INDEPENDENT CONTRACTOR to ERS, may be offset against compensation due to the INDEPENDENT CONTRACTOR from ERS. ERS, at its sole discretion, reserves the right to change the company compensation plan without prior notice to or consent from its

INDEPENDENT CONTRACTORS. Should the INDEPENDENT CONTRACTOR fail to transfer his license and appointments when notified that ERS has changed its insurance company association, the INDEPENDENT CONTRACTOR will lose all rights to compensation due hereunder. Should the INDEPENDENT CONTRACTOR's insurance license or appointment be terminated or suspended, ERS shall not pay any compensation to the INDEPENDENT CONTRACTOR until said INDEPENDENT CONTRACTOR is re-licensed, reappointed or taken off suspension by the appropriate licensing authority, insurance company or ERS.

6. ADVANCES TO INDEPENDENT CONTRACTOR

To the extent that ERS has contracts with its affiliated insurance companies that advance commissions for new policies prior to when said commissions would normally be earned, ERS agrees to pay any such advances to the INDEPENDENT CONTRACTOR in an amount and manner as it shall determine appropriate based on the INDEPENDENT CONTRACTOR's financial situation, volume of business submitted and persistence of business. ERS will pay any such approved advances pursuant to the INDEPENDENT CONTRACTORS contract level as set forth under Paragraph IV above. Any advances paid to INDEPENDENT CONTRACTOR by ERS become debts owed to ERS by the INDEPENDENT CONTRACTOR which debts INDEPENDENT CONTRACTOR agrees to repay should the policies cancel or lapse within the first 12 months after issuance to the extent that ERS is charged back any commissions from the insurance companies. To the extent that INDEPENDENT CONTRACTOR's downline INDEPENDENT CONTRACTORS shall have debit charge backs for commissions advances paid to INDEPENDENT CONTRACTOR's downline INDEPENDENT CONTRACTORS that are not promptly paid by said downline INDEPENDENT CONTRACTORS on demand, such downline INDEPENDENT CONTRACTORS debits for advanced commissions shall be rolled up to the INDEPENDENT CONTRACTOR, who shall be responsible for repayment. The INDEPENDENT CONTRACTOR acknowledges that ERS has a lien on its earned commissions for new

business and may apply said earned commissions to repay any advances made to INDEPENDENT CONTRACTORS; and that, the INDEPENDENT CONTRACTOR is personally responsible for repayment of any advances. ERS, at its sole discretion, reserves the right to change the company advance payment policy without prior notice to or consent from its INDEPENDENT CONTRACTORS.

7. INDEPENDENT CONTRACTOR'S VESTING RIGHTS

All renewal commissions as may be earned on qualifying life insurance business sold by the INDEPENDENT CONTRACTOR hereunder together with renewals commissions earned on all qualifying life insurance business sold by any recruits that the INDEPENDENT CONTRACTOR is entitled to override hereunder, shall vest when the INDEPENDENT CONTRACTOR attains the Qualified Field Director (QFD) contract level as stated in the INDEPENDENT CONTRACTOR Promotion Guidelines. The vesting percent shall be as set forth in the INDEPENDENT CONTRACTOR Promotional Guidelines. The net qualifying renewals earned hereunder shall be paid when received by ERS at the pay rate set forth in the INDEPENDENT CONTRACTOR Promotion Guidelines. Should any INDEPENDENT CONTRACTOR die, his vested interest in all qualifying renewal commissions shall, if permitted by the appropriate regulatory authorities, pass to his estate and/or heirs at law. Any vested rights on qualifying life insurance business sold by the INDEPENDENT CONTRACTOR shall not be subject to reversion unless the INDEPENDENT CONTRACTOR or his heirs are not licensed and legally able to receive same. Notwithstanding the above, ERS may offset any obligations or debts owed by INDEPENDENT CONTRACTOR to ERS against payment of any vested rights in said renewal commissions as may be owed to INDEPENDENT CONTRACTOR.

8. INDEPENDENT CONTRACTOR'S BILL OF RIGHTS

The INDEPENDENT CONTRACTOR may not be terminated by ERS except For Cause as defined hereunder. ERS may not demote the INDEPENDENT CONTRACTOR to a lower pay level in the INDEPENDENT CONTRACTOR Promotion Guidelines except For

Cause. ERS must promote the INDEPENDENT CONTRACTOR whenever he meets all the qualifications for promotion in the INDEPENDENT CONTRACTORs Promotion Guidelines. ERS, cannot without the consent of the INDEPENDENT CONTRACTOR, promote or re-assign an INDEPENDENT CONTRACTOR from the INDEPENDENT CONTRACTOR's downline except upon For Cause. ERS has no exclusive territories. The INDEPENDENT CONTRACTOR may do business in any state or country in which the INDEPENDENT CONTRACTOR is licensed, appointed and coded under ERS with its affiliated insurance companies. The INDEPENDENT CONTRACTOR shall have vested rights to renewal commissions upon INDEPENDENT CONTRACTOR's promotion to QFD.

9. DUTIES OF ERS

ERS shall offer, on a regular basis, training and assistance to the INDEPENDENT CONTRACTOR in marketing the financial products of its affiliated insurance companies to INDEPENDENT CONTRACTOR's clients and recruits. ERS shall utilize its resources and talents to constantly upgrade and improve its financial programs and the financial products available to the INDEPENDENT CONTRACTOR.

10. INDEPENDENT FOR CAUSE GROUNDS FOR SANCTIONS

ERS may sanction the INDEPENDENT CONTRACTOR, in its sole discretion, immediately or anytime thereafter, upon any one or more of the following acts or occurrences by the INDEPENDENT CONTRACTOR:

- Failure to conform to market conduct and/or compliance standards of appropriate governmental regulatory and/or licensing authorities.
- Abandonment or blatant disregard of a client's interests.
- Replacement of business written with ERS's affiliated insurance companies.
- Recruiting agents currently licensed by ERS's affiliated insurance companies or under another ERS INDEPENDENT CONTRACTOR.
- Utilizing non-approved advertising or promotional materials.
- Failure to obtain and maintain all required licenses and permits.

- Failure to obtain and maintain approved errors and omission insurance.
- Misrepresentation, fraud, unethical or illegal business practices.
- Failure to comply with the policies, rules, regulations, and guidelines of ERS or its affiliated insurance companies.
- Commission of a felony or acts of moral turpitude and/or substance abuse.
- Sanctioning by any governmental licensing authority.
- Failure to properly train, supervise and assist recruited INDEPENDENT CONTRACTORS.
- Intentional breach of INDEPENDENT CONTRACTOR's Covenants hereunder.
- Intentional breach of INDEPENDENT CONTRACTOR's Duties hereunder.
- Knowingly exceeding INDEPENDENT CONTRACTOR's Authority hereunder.
- Poor insurance business persistency below 78% over any 24 month period.
- Failure to follow approved ERS recruiting guidelines and policies.

Without limiting its authority to terminate the INDEPENDENT CONTRACTOR for cause on the above grounds, ERS reserves the right to issue warnings, impose fines, order suspensions, suspend compensation, reassign INDEPENDENT CONTRACTORS and impose other disciplinary sanctions as ERS may from time to time, in its sole discretion, determine appropriate.

11. TERMINATION OF AGREEMENT

This agreement shall terminate upon any of the following events: (1) The death of the INDEPENDENT CONTRACTOR (except for his heir's vested rights, if any, hereunder); (2) If the INDEPENDENT CONTRACTOR becomes permanently disabled or incapacitated so that he cannot perform his duties hereunder; (3) Should ERS cease doing business with its affiliated insurance companies and fail to become affiliated with another insurance company within a reasonable period; (4) Upon the

written resignation of INDEPENDENT CONTRACTOR; or, (5) Upon the For-Cause Termination of the INDEPENDENT CONTRACTOR by ERS.

12. Covenants of INDEPENDENT CONTRACTOR Upon Termination

INDEPENDENT CONTRACTOR covenants and agrees that, should this Agreement terminate pursuant to Paragraph 11 above, or otherwise by action of law, INDEPENDENT CONTRACTOR shall:

Return all marketing materials, recruiting materials, training materials, sales manuals and forms, website access passwords, and any other materials or documents generated by ERS for the benefit and use of INDEPENDENT CONTRACTOR, within 24 hours of termination.

Immediately resign from all appointments with ERS affiliated insurance companies and cease and refrain from all sales activities with ERS's insurance affiliates.

Turn over all active client files, leads and applications in underwriting to a ERS for reassignment to another INDEPENDENT CONTRACTOR.

Not disclose any confidential or proprietary information by, from or about ERS or its business operations that was obtained by the INDEPENDENT CONTRACTOR while a member of ERS (unless said information is generally known or has been disclosed to the public).

Not replace or exchange any insurance business generated by the INDEPENDENT CONTRACTOR or his downline recruits for a period of twenty four months (24) after termination.

Not seek appointment with any ERS affiliated insurance company which the INDEPENDENT CONTRACTOR had received appointment through ERS for a period of twelve months after a For-Cause Termination or for a period of 6 months after a voluntary resignation from ERS.

Not recruit ERS INDEPENDENT CONTRACTORs to leave ERS to become appointed, coded or licensed under INDEPENDENT

CONTRACTOR with any other insurance company or agency within twenty four months (24) after Termination (except for former INDEPENDENT CONTRACTORs that INDEPENDENT CONTRACTOR's recruited prior to joining ERS).

13. BREACH OF AGREEMENT

Should INDEPENDENT CONTRACTOR breach any covenants, duties or other terms and provisions of this Agreement, ERS, in its sole discretion, may elect to file civil litigation in Alameda County, California, (or, at ERS's sole option, in INDEPENDENT CONTRACTOR's state of domicile), seeking monetary damages and/or injunctive relief. Since damages for violation of this Agreement may be difficult to ascertain, INDEPENDENT CONTRACTOR agrees to pay liquidated damages in the amount of \$100,000 for a breach hereof or in the amount of the actual damages as may be awarded to ERS, whichever is greater. INDEPENDENT CONTRACTOR consents to ERS's choice of law, venue and liquidated damages provisions herein in lieu of binding arbitration.

14. MISCELANEOUS

The following miscellaneous provisions shall apply:

Modifications. ERS shall not be bound by any promise, agreement or understanding heretofore or hereafter made, unless made in writing and signed by the President of ERS expressing by its terms and intention to modify this agreement.

Indebtedness. Any indebtedness of INDEPENDENT CONTRACTOR to ERS shall be considered a loan payable upon demand. As security for any such indebtedness, ERS shall have a first lien upon any compensation payable to the INDEPENDENT CONTRACTOR under this agreement and ERS may deduct same from any such compensation due the INDEPENDENT CONTRACTOR.

No Waiver. The failure of ERS to enforce any provision of the agreement or any policy, procedure, rule or regulation that it may promulgate, shall not constitute a waiver thereof.

Entire Agreement. This Agreement and any exhibits as may have been referenced herein, together with the policies, procedures and rules of ERS, if any, as may be promulgated from time to time, supersedes all prior agreements between ERS and the INDEPENDENT CONTRACTOR and supersedes all negotiations and communications prior to the signing and acceptance hereof.

Construction. Should any part of this agreement be deemed, held or ruled to be invalid, illegal or otherwise unenforceable, the remainder of this agreement shall remain in force and be enforceable by its terms.

Choice of Law/Forum. Should there be any conflict as to the interpretation, breach or other default events under this agreement, the parties agree that the choice of the law shall be the State of California. All parties consent to jurisdiction and venue in Alameda County, California for any disputes that may arise hereunder.

Signed at (City & State)_____Date:_____

Agent:

ERS Life, Inc

Signature

Signature

Agent Name

Sponsor Name

ERS Life Staff:_____

