

## BROKER AGREEMENT

THIS BROKER AGREEMENT (the "Agreement") is by and between **you** (the "Broker") and PEODepot, Inc., a Florida corporation (together with its affiliates and subsidiaries, "MGA") with an address of P.O. Box 16104, Clearwater, FL 33766, effective as of this day \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_\_.

1. **BROKER.** Broker will submit all potential applicants/clients that are interested in Professional Employer Organization (PEO) services only through MGA in accordance with applicable laws and regulations.
2. **MGA.** MGA will introduce, educate, and/or offer a PEO or a variety of PEO Companies to Broker for Brokers potential applicants/clients that are interested in PEO Services in accordance with applicable laws and regulations.
3. **UNDERSTANDING.** It is understood that Broker will place all potential applicants/clients that are interested in Professional Employer Organization (PEO) services only through MGA in accordance with applicable laws and regulations. MGA will introduce, educate, and/or offer a PEO or a variety of PEO Companies to Broker for Brokers potential applicants/clients that are interested in PEO Services in accordance with applicable laws and regulations. Broker understands that the names and all information regarding the PEOs that MGA introduces, educates, and/or offers to Broker is vital to MGA. Once MGA offers a proposal for PEO Services, Broker will not send applicant/client directly or indirectly to PEO. The only way Broker can submit applicant/client to PEO is by submitting applicant/client through MGA. It is understood that if Broker directly or indirectly sends potential applicants/clients to PEO, Broker forfeits all compensation from MGA and PEO on all applicants/clients to MGA. It is understood in order to receive the compensation owed Broker from PEO, all the MGA has to do is provide a copy of this agreement to the PEO and the PEO will provide all past and future compensation that is owed to Broker, to MGA immediately. Any compensation that the PEO has paid directly or indirectly to Broker, Broker must in return handover 100% of those monies to MGA within 10 days of request from MGA.
4. **EXCLUSIVITY.** Once Broker submits a potential applicant/client to MGA, Broker has not nor will directly or indirectly submit potential applicant/client to any other PEO.
5. **BROKER IS AN INDEPENDENT CONTRACTOR.** Broker is not the agent of MGA or any PEO that MGA offers. Broker represents the applicant/client, who is an applicant/client of Broker and whose information is being referred to MGA for possible placement for PEO Services. MGA acknowledges that Broker's first duty is to Broker's clients. Neither this Agreement nor the procedures hereunder shall be construed to override Broker's independent judgment as to the time, place or manner of soliciting PEO Services for its applicants/clients. Broker shall at all times be considered an independent contractor, and Broker agrees that neither this Agreement nor the services provided hereunder are intended to create a common law employment relationship between Broker and MGA. Furthermore, Broker shall be responsible for the satisfaction of all taxes, including premium, employment, unemployment and income taxes relating to or arising by reason of the compensation or fees paid to Broker under this Agreement.
6. **AUTHORITY.** Broker shall have no authority to bind MGA or any PEO offered by MGA with regard to any PEO services, insurance or otherwise or make quotes for PEO services or other coverage for or on behalf of MGA or any PEO offered by MGA until submission of all required material and the quotation of PEO services offered through MGA. Further, in no event shall Broker have authority to appoint agents or subagents for MGA or any PEO offered by MGA or process or handle claims, investigations or inspections for MGA or any PEO offered by MGA. Broker may not issue binders or certificates of insurance with respect to coverage placed hereunder.

7. **NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.** Broker agrees to keep this agreement confidential. Broker agrees not to, directly or indirectly, disclose, utilize or permit the unauthorized use or disclosure of, any information oral or written, that the party originally disclosing such information deems proprietary and/or confidential including, without limitation, with respect to its respective business, operations or clients.
8. **LICENSES.** Broker warrants that it now has and shall maintain during the term of this Agreement the license or licenses necessary to place the applicant/client contemplated herein, and Broker shall comply with all applicable laws governing said business. Broker shall notify MGA immediately and in writing if such requisite license(s) expires or is suspended, revoked or is otherwise not fully in effect, and of any pending, threatened or actual investigations or adverse actions taken by any regulatory authority that might reasonably have an adverse impact on Broker's licensing status. Broker agrees to provide proof of licensing satisfactory to MGA prior to the effective date of this Agreement and thereafter within forty-eight (48) hours of a request by MGA for such proof.
9. **SUBMISSION OF BUSINESS.** Broker shall submit applicant/client to MGA in a format that is reasonably acceptable to MGA. Broker shall use reasonable efforts to determine that the information provided by prospect/client in any form to be transmitted to MGA is true and accurate. Broker warrants that any applicant/client that it submits to MGA will, if accepted by the applicant/client, be carried out in accordance with applicable law, and Broker shall indemnify MGA for any tax liability and loss arising as a result of MGA acceptance of any application submitted by Broker. Nothing herein shall obligate MGA or the PEO offered by MGA to accept any application submitted by Broker or to renew any agreement of PEO Services placed by Broker with MGA hereunder, except in accordance with applicable law.
10. **COMMISSIONS.** As full compensation for the services of Broker to MGA and/or the PEO offered by MGA, Broker shall be entitled to commissions in the amounts set forth in the attached Commission Schedule on the payroll paid for PEO Agreements issued or renewed pursuant to applications submitted to MGA by Broker. MGA may amend the commission rate(s) from time to time upon notice to Broker, and such changes shall apply to all new and renewal business placed after the effective date of said change. Broker shall not be entitled to payments of commissions in excess of those legally permissible, and MGA shall have no duty to make such payments. No commission shall be paid to Broker by MGA on a particular applicant/client until MGA receives full payment regarding said applicant/client from the PEO that issued or renewed the PEO Agreement. Broker shall not be entitled to a commission if Broker has accepted any compensation from any PEO (except from MGA pursuant to this Agreement). Broker agrees to refund to MGA ratably all unearned commissions on business canceled or reduced for any reason at the same rate of commission as originally paid by MGA. In the event that Broker receives any monies directly from PEO hereunder, Broker shall immediately pay such monies to MGA.
11. **PREMIUM.** All applicant/client placed hereunder shall be billed and paid pursuant to the agreement of the PEO. Payment for PEO Services shall be paid directly by the applicant/client to such PEO or MGA, consistent with the PEO Agreement or this Agreement, respectively. In the event that Broker inadvertently receives monies from an applicant/client hereunder, Broker shall immediately pay such monies to MGA which will in turn pay said monies to PEO.
12. **RIGHT TO OFFSET.** Notwithstanding anything to the contrary contained in this Agreement, MGA may offset any future compensation due Broker against any indebtedness owed by Broker to MGA, including but not limited to indebtedness arising by reason of cancellation of PEO Services submitted hereunder, mistaken overpayment by MGA or failure of Broker to satisfy any of the conditions precedent for payment of compensation. Nothing contained herein shall be construed to limit any other remedies that are available to MGA.

13. **BROKER'S USE OF SERVICE MARK.** Broker shall not publish or distribute any advertising, circulars or other materials, electronic or written, containing the name, service marks or logos of MGA or PEO that MGA offers without the prior written consent of MGA.
14. **INSURANCE COVERAGE.** Broker agrees to maintain errors and omission insurance of at least \$500,000 with a deductible no higher than \$10,000 that is issued by an insurance carrier with an A.M. Best rating of at least "A." If Broker's coverage is on a "claims made" basis, then Broker agrees to purchase "tail" insurance to cover errors and omissions claims in the amount specified above for a period of no less than six (6) years following the expiration or termination of this Agreement or the date that the last service was performed by Broker in connection with this Agreement, whichever is longer. Broker shall notify MGA at least thirty (30) days prior to any change or cancellation of insurance, and Broker shall supply a copy of its certificate of insurance evidencing its error and omissions coverage within forty-eight (48) hours of a request by MGA.
15. **INQUIRIES.** Broker shall report immediately of all applicant/client inquiries and complaints. Broker shall report immediately to MGA, with full details of any fact, occurrence or incident that may result in a loss or claim under any agreement placed hereunder or against Broker, MGA or PEO on account of any act or omission with respect to any agreement hereunder or which allegedly should have been hereunder. Broker shall forward all documents and cooperate fully with MGA and the PEO in the investigation and adjustment of any claim, if requested. In the event that Broker is served with process or notification regarding or relating to any litigation, investigation, inquiry, request or otherwise by any governmental authority or agency, Broker shall promptly notify MGA of the same and shall promptly deliver to MGA an original of any such process and/or notification and all attachments thereto.
16. **CUSTOMER RELATIONS.** It is understood and agreed that all applicants/clients are equally the applicant/client of MGA; therefore, neither Broker nor MGA may claim such applicant/client as its exclusive applicant/client.
17. **RESTRICTIVE PERIOD.** If an applicant/client referred by Broker is dissatisfied with PEO services and requests Broker to find a new provider, after first providing written notice to MGA of the applicant's/client's dissatisfaction in reasonable detail and providing MGA at least 10 business days to remedy the applicant's/client's dissatisfaction, Broker must attempt to find such applicant/client a new PEO through MGA.
18. **TERM.** This Agreement shall remain in force for a term of one (1) full calendar year commencing on the date written above. On the first of each anniversary date, this Agreement shall be renewed automatically for an additional one (1) year term unless terminated earlier in accordance with this agreement.
19. **TERMINATION.** Either party may terminate this Agreement by giving at least thirty (30) days prior written notice to the other party specifying the effective date of termination. In the event that this Agreement is breached, MGA may notify the breaching party that it has elected to immediately terminate the Agreement and state the reason or reasons therefor. Notwithstanding anything contained herein to the contrary, a termination by either party hereto, with or without cause, or at natural expiration of this Agreement, shall not relieve Broker of its obligations and duties under this Agreement, which obligations, and the terms and provisions thereof, shall survive any termination of this Agreement.

20. **INDEMNIFICATION.** Broker shall indemnify and hold harmless MGA, its parent, affiliated and subsidiary entities and their officers, directors, employees and agents from any and all claims, losses, costs, deficiencies, obligations, liabilities, damages or expenses (including related court and legal costs) which may arise directly or indirectly from (i) any inaccurate representation made by Broker in this Agreement, (ii) any breach of the warranties or any default in the performance of any covenants made by Broker under, or which Broker was to perform pursuant to, this Agreement, (iii) any errors or omissions of Broker or any of its agents with respect to any applicant/client, (iv) any negligent acts or omissions, whether intentional or unintentional, and any willful misconduct of Broker or any of its agents in connection with this Agreement, including any action brought by a regulatory body as a result of actions by Broker and (v) the violation of any law or regulation.
21. **NOTICES.** All notices required to be sent hereunder and any other notices sent hereunder shall be sent either by certified mail, postage paid, return receipt requested, or by overnight delivery service to the address listed above or to such other address as may from time to time be designated by a party hereto in writing and sent to the other party in the manner set forth above.
22. **RECORDS.** Broker shall keep complete records and accounts of all transactions and permit MGA to inspect all records pertaining to business transacted under this Agreement at Broker's offices during normal business hours.
23. **GENERAL PROVISIONS**
- a) **NON-INDUCEMENT.** Broker acknowledges that it has not been induced to enter into this Agreement by any written or oral statement, representation or warranty not set forth in this Agreement whether by any officer or agent of the MGA or otherwise.
  - b) **NON-LIABILITY.** Broker acknowledges that MGA shall not be liable for any loss of business, goodwill, profits, or other damages, incurred by Broker as a result of any decision by the Broker, or by any client or potential client of Broker, to not enter into, or to cease any business relationship with the Broker.
  - c) **CAPTIONS AND HEADINGS.** The captions and headings throughout this Agreement are for convenience and reference. The words of the captions and headings should in no way be held or deemed to define, describe or explain, modify or limit the meaning of any provision, or the scope or intent of this Agreement.
  - d) **ENTIRE AGREEMENT.** With regard to the subject matter of this Agreement, the terms and provisions of this Agreement and the Schedule of Commissions attached hereto, as amended from time to time by MGA, constitute the entire agreement between the parties.
  - e) **APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Florida, in the county of Pinellas, without regard to its rules regarding conflict of laws, and any dispute shall be resolved in the proper state or federal court in the Commonwealth of Florida.
  - g) **NON-CREATION OF THIRD-PARTY RIGHTS.** No rights of any third party (including any employee or independent contractor of Broker) are created by this Agreement and no person not a party to this Agreement may rely on any aspect of this Agreement notwithstanding any representation, written or oral, to the contrary.
  - h) **NO WARRANTY.** MGA makes no warranty as to the level of service it will provide to any client supplied by Broker. MGA shall not be responsible for any loss of compensation on the part of Broker due to the termination of any client's relationship with Broker.

- i) REMEDIES. No right or remedy set forth in this Agreement is exclusive of any other right or remedy but shall be in addition to every other right or remedy given under this Agreement or existing now or hereafter in law or equity.
- j) SEVERABILITY CLAUSE. Provisions contained in the Agreement, which are contrary to, prohibited by, or invalid under applicable laws or regulations shall be deemed omitted from this Agreement and shall not invalidate the remaining provisions hereof.
- k) MODIFICATION AND NO WAIVER OF FORMALITIES. No waiver of any provisions of this Agreement and no modification of this Agreement shall be valid unless in writing and signed under the same formalities as this Agreement, including signatures by MGA. If any of the foregoing elements are missing, then such modification or waiver shall have no force or effect. No indulgences extended by any Party hereto to any other Party shall be construed as a waiver of any breach on the part of any other Party, nor shall any waiver of one (1) breach be considered as a waiver of any rights or remedies with respect to any subsequent breach.

24. RIGHT TO RELIEF IN THE EVENT OF BREACH. The Broker hereto expressly understands and agrees that in the event of any breach or threatened breach of this Agreement by the Broker that is likely to cause the MGA immediate and irreparable harm or injury, the MGA shall have the right to have an injunction issued against the Broker in the event of such breach or threatened breach. In the event of any dispute concerning the rights or obligations under this Agreement, such right shall be enforceable in a court of equity by a decree of specific performance. The aforementioned remedies, however, shall be cumulative and not exclusive, and shall be in addition to any other remedy to which the parties may be entitled. If the MGA should decide to proceed against the Broker in the Circuit or Chancery Court or the United States District Court of jurisdiction of the MGA's home office, the Broker further agrees that such Court shall have jurisdiction over him, regardless where he may be at the time of commencement of such proceedings. All parties agree the MGA may bring suit as a third party beneficiary and may avail itself of all rights and remedies under this Agreement.

25. ATTORNEY FEES. If MGA retains the services of any attorney to enforce the provisions of this Agreement, Broker agrees that, in addition to damages, if any, for which it might be found liable, it shall be responsible for reimbursing MGA for all reasonable costs and expenses, including but not limited to attorneys' fees, incurred in enforcing this Agreement.

26. ASSIGNMENT. This Agreement may not be assigned by Broker without the prior written consent of MGA.

27. SUCCESSORS. This Agreement, together with all exhibits, schedules and appendices hereto, shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

28. AMENDMENT. Broker shall not be bound by any promise, agreement, understanding or representation heretofore or hereafter made unless the same is made by an instrument in writing, signed by an authorized representative of MGA which expresses by its terms an intention to modify this Agreement.

29. INTERPRETATION. In this Agreement, the words “includes” and “including” are not limiting. Terms defined in the singular have corresponding meanings in the plural and vice versa. Unless otherwise indicated, references in this Agreement to Sections, Exhibits and Schedules are to the Sections, Exhibits and Schedules of, or attached to, this Agreement; all such Exhibits and Schedules are incorporated by reference into this Agreement; references to any other agreements, documents or instruments are references to such agreements, documents and instruments as amended, modified or supplemented from time to time; and references to laws, statutes, rules, regulations or other governmental restrictions, standards or requirements are references to such laws, statutes, rules, regulations and other governmental restrictions, standards or requirements as in effect from time to time. Headings in this Agreement are for ease of reference only and are not to be used to interpret the terms and conditions hereof.
30. CONSTRUCTION. This Agreement shall be construed without regard to the party that drafted it. Any ambiguity shall not be interpreted against either party but shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.
31. WAIVER. The failure of MGA to enforce a term or condition of this Agreement shall not constitute a waiver of such term or condition. No waiver of any breach or default hereunder shall be valid unless in writing and signed by MGA, and no such waiver shall be deemed a waiver of any subsequent breach or default whether or not of the same or similar nature.
32. SURVIVAL. The obligations of the parties contained in paragraphs 3, 7, 13, 20 hereof shall survive the termination of this Agreement indefinitely.
33. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date stated above.

Broker:

\_\_\_\_\_  
By: (PRINT)

\_\_\_\_\_  
By: (SIGN)

\_\_\_\_\_  
Date

PEODepot, Inc.:

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

\_\_\_\_\_  
Date

## ATTACHMENT "A"

MGA shall compensate Broker for clients sold by Broker based on the following schedule, terms and conditions,

Broker is to receive a percentage of gross payroll to be determined on a case by case basis. It is the sole responsibility of Broker to request a written statement of commission percentage to be paid for each enrolled case.

Commissions are paid on or before the 30<sup>th</sup> of the month for all commissions received in the current month from PEO. MGA is only obligated to compensate Broker the agreed percentage. If PEO fails to compensate MGA then MGA will have no obligation to compensate the Broker.

IN WITNESS WHEREOF, the representations made within both the Agreement and this Attachment "A" reflects the entire agreement between MGA and Broker.

Broker:

\_\_\_\_\_  
By: (PRINT)

\_\_\_\_\_  
By: (SIGN)

\_\_\_\_\_  
Date

PEODepot, Inc.:

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

\_\_\_\_\_  
Date