

LegalShield®

Welcome to the Associate Success Guide!

This Success Guide is designed to help you start your LegalShield® business and to reach the level of success you set for yourself. It will familiarize you with company policies and provide detailed information on our products, Associate compensation, the delivery of our product by our Provider Law Firms, procedural guidelines, and more!

Company Overview

At LegalShield, everything we do is in service of our mission to enable everyone to affordably live a just and secure life. We have been removing barriers to legal access since our earliest days when we were founded in 1972. As we look to the future, LegalShield will continue to innovate and disrupt the justice system so that everyone can live their life without fear that a legal or privacy issue might bring it all crashing down.

Mission First
We have an uncompromised integrity to help others, which gives us a true sense of purpose knowing that we are making a difference.

Constantly Improve
We learn from our mistakes and are committed to doing better for ourselves and our members. That value challenges us every day and gives us the focus to push harder.

Join Forces
We come together and collaborate to achieve our common goal in a way that no single individual can do on their own.

Live Passionately
Knowing that life is short and that our work matters, we are proudly making a difference while enjoying each other as we leave an impact at work.

Honest Effort
We bring our best selves to work with good intentions and assume each of us is prepared to do our job to the best of their ability.

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Getting Started Right (New Associate)

Fast Start Program for New Associates

Advance to Senior Associate within the first 30 days of starting your LegalShield business and attend a Fast Start training class to be eligible to earn a Fast Start bonus.

Learn How to Fast Start Qualify

Fast Start Training

Register for the Fast Start training class that works best with your schedule. Fast Start training classes are offered throughout the week, making it easy for you to plug in!

Click Here to learn more about how to register for Fast Start training.

Fast Start Level Advancement

To advance to Senior Associate, you must have:

- 3 new members + 1 recruit with a membership —OR— 5 new members

Advance to Manager Program for New Associates

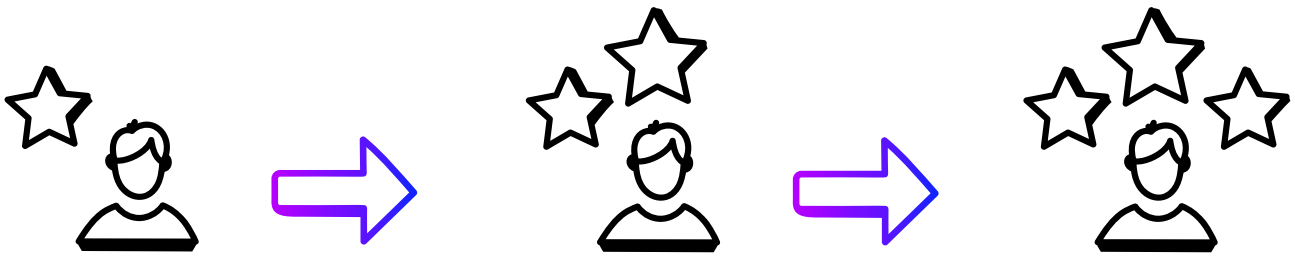
Advance to Manager within your first 45 days from starting your LegalShield business and attend a Fast Start training class to be eligible to receive an Advance to Manager bonus.

Learn How to Advance to Manager Qualify

Manager Level Advancement

To advance from Senior Associate to Manager, you must have:

- 3 frontline legs + 5 Members + $300 in Organizational Premium —OR— $500 Personal Premium



Your Associate Digital Tools

Associate Office by LegalShield (ao.legalshield.com)

Associate Office is a suite of business tools for LegalShield Associates that enables them to manage their business from the U.S. or Canada. It includes features such as activity tracking, incentive qualification monitoring, built-in messaging, access to marketing and training resources, and more!

Access the associate office at ao.legalshield.com.

Prospect by LegalShield (Prospectbylegalshield.com)

Prospect simplifies managing your customer relationships. Add contacts and send resources, while the app tracks your prospects' engagement and sends you alerts. Associates also have access to Associate training, the ability to set reminders, contact list management, and more!

Download the mobile app on iOS or Android. Or access the web version on prospectbylegalshield.com.

Access requires a LegalShield Advantage Plus subscription.

Marketing Sites

Your marketing site is where you can market our products online to your prospects through a personalized experience featuring you as the selling Associate. Your site is accessible in the United States, Canada, and Mexico.

Your unique and shareable URLs are:

- US: [username].legalshieldassociate.com
- Canada: [username].legalshieldassociate.com/en-ca
- Canadian French: [username].legalshieldassociate.com/fr
- Spanish: [username].legalshieldassociate.com/es

For more information on your marketing site along with the ability to update your personal contact and product offerings displayed on your site, **Click Here.**

Access requires a LegalShield Advantage Plus subscription.

Buy Now Page

Your Buy Now page provides an easy-to-use check-out page experience that you can share with your prospects that holds attribution to you as the selling Associate.

Your unique and shareable URLs are:

- US: [username].legalshieldassociate.com/buynow
- Canada: [username].legalshieldassociate.com/en-ca/buynow
- Canadian French: [username].legalshieldassociate.com/fr/buynow
- Spanish: [username].legalshieldassociate.com/es/buynow

The Buy Now page does not require a LegalShield Advantage Plus subscription and is available to all Associates.

LegalShield Advantage Plus Subscription

The Advantage Plus Subscription at $24.95/month plus applicable taxes, provides eligibility into robust incentive programs and provides associates with access to digital tools to help them build their business.

Subscription benefits include:

- Eligibility to participate in incentive and recognition programs
- Marketing website personalized to you as the selling associate
- Prospect by LegalShield: Manage your customer relationships
- Associate Office by LegalShield: Top-tier statistical reporting to manage your business

New Associates receive a one-month free trial upon signing up as a LegalShield Associate, after which they are billed $24.95/month. In Canada and Puerto Rico taxes may apply.

For more information or to manage your LegalShield Advantage Plus subscription, **Click Here.**

Associates who choose to cancel their LegalShield Advantage Plus subscription will be placed on the Basic subscription.

The Basic subscription includes:

- Associate Office by LegalShield: Basic reporting to help you manage your business
- Monthly Communication Show and email communications to keep you up to speed on the latest announcements

Associates who have been in the business for several years may be grandfathered into older tiers of the subscription (Business Professional) or (Business Builder). These subscriptions' coverage is based on the subscription programs in place at the time of their subscription start date. If an Associate drops down to Basic after being on a grandfathered tier, they will have to subscribe to LegalShield Advantage Plus upon their sign-up.

How to Stay Connected

PPLSI Associate Success (Facebook)

This is a place to connect with the LegalShield family, celebrate recognition, and get updates on incentives and corporate announcements. This is a great place to welcome new team members and celebrate their achievements such as level advancements and Performance Club growth!

PPLSI Associate Support (Facebook)

This is a place to ask questions regarding your LegalShield Business, and the home office will post updates about incentives, promotions, and any other key announcements.

PPLSI Canada Associate Success (Facebook)

Where Associates can connect with other Canadian Associates and learn about what is going on in their area!

PPLSI Associate Small Business/Small Group (Facebook)

Here, you can get updates on trainings with Small Business and ask questions pertaining to the Small Business Plans and Add-ons.

LegalShield en Español Success (Facebook)

Where Spanish speaking Associates can ask questions about membership plans and learn about all the events going on, such as Fast Start (Inicio Rapido) Trainings and Super Saturdays (Super Sabados).

Monthly Communication Show

On the first of every month, the home office will produce a Communication Show to give Associate updates on the new incentives and promotions that are being launched that month.

LegalShieldCalendar.com or "Events" in Prospect by LegalShield

Visit LegalShieldCalendar.com/Calendar to view all the local social gatherings, trainings, Super Saturdays and conventions in your area. You can search by specific event title or general category, as well as filter by location and radius or state, and province or commonwealth. You can also locate events in the Prospect by LegalShield mobile app.

Monthly Update (Email)

Receive an email from the LegalShield Network Division sent the 1st and 15th of each month, with announcements and reminders to keep you in the loop!

Compensation Plan

How to Level Advance?

Associate

This is your starting level when you join LegalShield.

Sr. Associate

Achieve this level by enrolling 3 new unique members and 1 new recruit with a membership or by enrolling 5 new unique members.

Manager

Achieve this level by having 3 frontline active Associate legs plus 5 members as well as $300 in organizational premium OR personally sell $500 in premium.

Sr. Manager

Achieve this level by having 3 legs with an active Senior Associate in each leg AND have $1,500 organizational premium written OR personally sell $1,500 in premium. Minimum $250 personal premium.

Director

Achieve this level by having 3 legs with an active Manager in each leg AND have $3,000 organizational premium written OR personally sell $3,000 in premium. Minimum $500 personal premium.

Sr. Director (monthly qualification)

Achieve this level by being at Director level and having a minimum of $750 premium written (including personal sales) with no more than $375 premium written from one leg. Qualify in one month to receive commission increase on all organizational sales the following month.

Executive Director (monthly qualification)

Achieve this level by being at Director level with $1,500 premium written (personal or organizational), cannot count more than $750 premium written from any 1 leg AND qualify for the **Activity Requirement.** Qualify in one month to receive commission increase on all organizational sales the following month.

Elevated Executive Director Levels

Bronze ED: Qualify ED with 1 ED leg, **OR** $2,100 personal premium written.

Silver ED: Qualify ED with 2 ED legs **OR** $2,800 personal premium written.

Gold ED: Qualify ED with 3 ED legs **OR** $3,500 personal premium written.

Platinum ED: Qualify ED with 4 ED legs **OR** $4,200 personal premium written.

Double Platinum: Qualify Platinum ED with 1 Platinum ED leg **OR** qualify Platinum ED with 6 ED legs **OR** $5,600 personal premium written.

Triple Platinum: Qualify Platinum ED with 2 Platinum legs **OR** qualify Platinum ED with 8 ED legs **OR** $7,000 personal premium written.

Platinum Elite: Qualify Platinum ED with 3 Platinum legs **OR** qualify Platinum ED with 10 ED legs, **OR** $8,400 personal premium written.

Diamond ED: Qualify Platinum ED with 4 Platinum ED legs **OR** qualify Platinum ED with 12 ED legs, **OR** $9,800 personal premium written.

LegalShield Compensation Plan & Earning Commissions

The LegalShield Compensation plan allows you to build long-term income through overrides and residual income that pays out for the lifetime of the membership. This section gives you a short overview of what you can be paid, how to advance in the compensation plan, and what it can mean to you to build your business long term.

With LegalShield, you can earn compensation through Personal Commissions, Team Overrides, Breakaways (Directors & Executive Director levels), Residuals, and Incentives.

Earning Commissions

Commissions:

Commissions are paid based on membership premium sold, either personal, or when an eligible Associate on your team makes a sale. If a membership cancels during the advance period, you will be charged back against future commission advances. Commissions can be paid via direct deposit with a minimum of $20 if you have submitted a processable membership during the month (or previous month if Executive Director).

Elite Commissions:

Performance Club qualify in one month to receive Elite commissions on sales processed the following month! (Minimum 75% rolling 6-month personal AND organizational retention required).

20/10 Residual Commission Plan:

Year 1: 12-Month Advance Commission | Year 2: 20% Residual Commissions!

10% Cash Residual Commission paid with member's 13th payment. (Accumulated and paid the following month). Deposited directly into your account! Plus, an additional 10% flat residual income applies to both organizational and personal business. 10% residual commissions are 10% of what you were originally paid on the sale or override. 10% residual year 2 and beyond is paid monthly for the life of the membership and applied to the debit balance.

When will you be paid? A one-time Cash Residual Commission equal to 10% of the original advance commission will be paid with the member's 13th payment and is not subject to chargebacks. Additionally, annual renewal commissions of 10% (of the original advance) will be paid as the member makes their monthly payment for the lifetime of the membership. All renewal commission will be first applied to any outstanding debit balance you may have. Once the debit balance is recovered, future earnings will be paid to you.

Team Overrides & Breakaways: The Power of Building a Team*

By building a team or sales organization you have the opportunity to leverage your income because you can have many people doing a little bit over a long period of time – instead of just one person doing a lot.

Override Advance:

When an Associate in your organization makes a sale, you can receive an Override Advance for each level between yourself and the next active Associate in your downline.

Cumulative Override Advance:

This is money advanced to the first active upline Associate at a higher level.

Elite Commissions:

Starting at Sr. Director level, Performance Club Qualify in one month to receive Elite commissions on sales processed the following month! (Minimum 75% rolling 6-month personal AND organizational retention required.)

Breakaways – Director & Executive Director

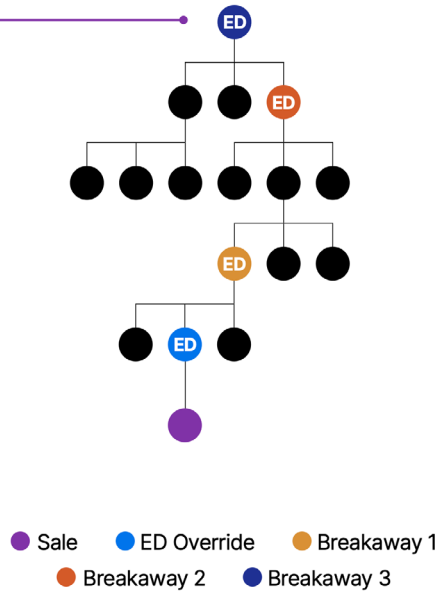
Qualified Director (QD):

Must qualify for Director Breakaway by qualifying for Performance Club the previous month. Qualify one month to receive breakaways on sales made the following month. See details in the example on the $74.90 Compensation Plan link below.

PLUS! Platinum Breakaway Overrides! Receive this Breakaway on all membership premium written through three (3) generations of Platinum Executive Directors (Basic - $4.00, $3.00, $1.00; Elite - $6.00, $4.00, $2.00)

Example: Qualified ED distance from the sale.

BREAKAWAYS	Director	Sr. Director		Executive Director	
	BASIC	ELITE	BASIC	ELITE	BASIC
Breakaway 1	$8.22	$24.66	$16.44	$22.60	$15.41
Breakaway 2	$5.14	N/A	N/A	$12.33	$8.22
Breakaway 3	$3.08	N/A	N/A	$8.22	$6.16
Breakaway 4	$1.03	N/A	N/A	N/A	N/A
Breakaway 5	$1.03	N/A	N/A	N/A	N/A



*Based on the $74.90 Compensation Plan

Commission Pay-Outs and FAQs

Commission Check Disbursement

Direct Deposit (EFT):

The Deposit minimum is $20 with one piece of $24.95 business for the current or previous month. For those not writing personal business, direct deposits are made on Friday of the week that your cash accrued has accumulated to $100.*

To set up or change Direct Deposit upload or mail this form to:	Fax: ATTN: Associate Services at (580)-310-6916 Mail: Associate Services LegalShield One Pre-Paid Way, Ada, OK 74820

Partial Advance:

You may request partial advances at any time. For example, you may request a 6 or 9 month advance rather than a full 1-year advance.*

As Earned:

As-earned commissions are earned/paid only as the member pays. Since commissions are paid "as earned," no debit balance is created.

- Monthly earnings can be determined by dividing the advance commission on a sale by 12 (12 months).
- You earn commission each month through month 12 of the membership as payments are received and applied.
- As earned commissions first go toward reducing your debit balance.

Payment Earnings:

Payment Earnings are advanced to you per month as payment is received rather than reducing your debit balance. As payments are applied, you receive earnings.

Commission FAQ

How often do commissions pay out?

LegalShield offers Electronic Fund Transfers (EFTs) on a daily, weekly, and monthly basis.

What is the difference between "advances" and "earnings?"

You can receive "advance" commissions when you make a membership sale. You "earn" commissions as the member pays for his or her membership each month. Commissions you receive during the advance period will not actually "earn out" until the end of the advance period. Earnings are first applied to any outstanding debit balance and are payable only after all sums advanced have been earned. You have the option of receiving reduced or 'partial' advances. For example, you may elect to receive a 6- or 8-month advance, regardless of your level. Taking a lower advance will not lower your monthly earnings on a sale.

What is a debit balance?

When commissions are advanced to you, it creates what is known as a debit balance. The debit balance is the difference between the total advance commissions paid to you and the total earnings through monthly payments by the member to LegalShield. All earnings apply to reduce the debit balance until the debit balance reaches zero, at which time earnings will be paid to you if no new advances are made. You are liable to LegalShield for the debit balance.

*Note: The Small Business Premium and Pro plans are paid at a six (6) month advance.

*Based on the $74.90 Compensation Plan

Commission FAQs

What is a chargeback?

Because commissions are advanced on an earnings period schedule, all commissions you are paid will not actually earn out until the end of the earnings period. If the member cancels during the advance period, you will be "charged back" any remaining balance of the amount you were advanced when you sold the membership. One hundred percent of the unearned advance on cancelled memberships will be deducted from your future commission advances. If the member cancels after the 12th monthly payment, you will not be charged back because you will have fully earned the advanced amount.

To figure your chargebacks:

1. Take the total amount advanced and divide it by 12 (12 months). This represents your monthly commission earned. For example: 1-year advanced commission at the Sr. Associate level = $102.74. $102.74/12 (months) = $8.56 Monthly commission earned on the $74.90 Compensation Plan.
2. Take the monthly earned total and multiply it by the number of payments received from the member. This represents the total earnings of the membership. $8.56 x # of monthly payments made by the member (4) = $34.24. Total earnings = $34.24.
3. Subtract the total earnings from the total amount advanced to determine the 100% chargeback amount. $102.74 - $34.24 = $68.50 (100% chargeback). This amount is subtracted from your Cash Accrued.

100% chargebacks:

0 - $102.74	4 - $68.50	8- $34.26	12 - $0
1 - $94.19	5 - $59.94	9 - $25.70	
2 - $85.62	6 - $51.38	10 - $17.15	
3 - $76.06	7- $42.82	11 - $8.56	

How can I keep my membership cancellations and chargebacks to a minimum?

You can help minimize cancellations and chargebacks by seeing the sale and the member's purchase as a long-term decision. Some helpful suggestions are:

1. Properly explain the membership to your prospects.
2. Avoid over-promising what the product can do. Remember: under-commit and over-deliver! Our product is that good; there is no need to oversell.
3. Help them see the value of their membership immediately by encouraging them to use the service right away. This could be having their Will prepared or receiving consultation or document review on a current matter.
4. Stay connected with them and make yourself available to help answer ongoing questions they may have.
5. Work your precancel reports available on ao.legalshield.com each week and reach out to your members in precancel using the text scripts available in the Prospect app.

What happens if a member cancels, then reinstates?

When a membership that has been cancelled over six months is reinstated, a new writing Associate can be assigned. If you were the original writing agent, no counter will be issued, but you will receive as-earned commissions.

When an Associate reinstates a membership that has not been cancelled over six months, the original writing Associate will remain as the Associate and continue to earn on the membership. If the membership has been cancelled for five (5) years or longer, the new writing agent will be paid advance commissions on the sale as a new membership.

[1]Based on the $74.90 Compensation Plan

Commission Statements and Reporting

Understanding Commissions Statements & Reporting

The terms below will walk you through how to read the commission reporting available in the **Associate Office.**

Commissions Report

- Associate Number: Your assigned LegalShield Associate number.
- Associate Address: The address LegalShield currently has on file for your Associate Agreement.
- Statement Country: Denotes whether this statement represents Canadian or US commissions.

Advanced Commission

- Commission Level: Your current level. Commissions on different memberships on your statement may vary, depending on your level when the application was processed.
- Advance Commissions: The total amount of commission advances received on all personal and organizational transactions per level since your last Associate Commission Summary.
- Earnings: The total amount of advance and residual earnings generated. The total amount of commissions received are generated by memberships that continue to pay membership premiums due.
- Advance Transactions: Total number of all personal and organizational transactions per level that continue to offset their original advance.
- Cancellation Transactions: Total number of all personal and organizational transactions because of membership cancellations. Occurs when a member chooses to cancel their membership or LegalShield stops receiving payment for a membership.
- Advance Recovery: Total amount of advanced commissions recovered by LegalShield due to membership cancellations. When a member cancels before the advance is earned, LegalShield will recover the outstanding portion of the original advance. Also referred to as “chargebacks”.
- Personal Commissions: The total amount of commissions generated by memberships you personally sell.
- Override Commissions: The total amount of commissions received from membership sales generated by your downline team of sales associates.

Advanced Commission Summary

- Advance Commissions: The total amount of commission advances received on all personal and organizational transactions per level since your last Associate Commission Summary.
- Advance Recovery: Total amount of advanced commissions recovered by LegalShield due to membership cancellations. When a member cancels before the advance is earned, LegalShield will recover the outstanding portion of the original advance. Also referred to as “chargebacks”.
- Applied Reserve Balance: A portion of your advance commissions set aside to offset membership cancellations and the resulting advance recovery.
- Remaining Advance Recovery: Any excess advance recovery remaining after your reserve balance has been applied.
- Advance Net Adv Recovery: The total amount of advance commissions after subtracting any advance recovery.

Commission Statements and Reporting

Advanced Commission Summary (continued)

- Reserve Deduction: The amount withheld from advance commissions to offset future advance recoveries.
- Withholding Percentage: The percentage of advance commissions you have elected to be withheld and placed into your reserve balance.
- Ending Reserve Balance: Your total reserve balance available after any advance recovery offsets and new commission additions.
- Net Advance Commissions: The total advance after Reserve Balance deductions.
- Commission Adjustments: Any debits or credits made to your commissions from transactions outside of the compensation plan, such as non-taken fees, commission corrections, and any other applicable charges.

Earned Commission

- Commission Level: Your current level. Commissions on different memberships on your statement may vary, depending on your level when the application was processed.
- Advance Commissions: The total amount of commission advances received on all personal and organizational transactions per level since your last Associate Commission Summary.
- Earnings: The total amount of advance and residual earnings generated. The total amount of commissions received are generated by memberships that continue to pay membership premiums due.
- Personal Commissions: The total amount of commissions generated by memberships you personally sell.
- Override Commissions: The total amount of commissions received from membership sales generated by your downline team of sales Associates.
- Advance Transactions: Total number of all personal and organizational transactions per level that continue to offset their original advance.
- Total Earned Commissions for Period: Total commissions paid for period. This amount should also correspond to your check and/or direct deposit amount. The total amount of earnings generated by memberships that remain active and continue paying their premiums.

Commission Statements and Reporting

Commission Advance Balance/Reserve Balance

Associate Commission Advance Balance Calculation: The difference between the total advance commissions paid to the Associate and the total earnings received from memberships that continue to pay premiums due. Commission Advance Balance: Balance of commissions advanced but not yet earned.

- Commission Advance Balance (Previous Period): Ending commission advance balance from previous period.
- Earned Commissions (Current Period): The total amount of earned commissions subtracted from your commission advance balance.
- Commission Adjustments (Earn): Any debits or credits made to your commissions from transactions outside of the compensation plan, such as non-taken fees, commission corrections, and any other applicable charges.
- Advanced Commissions (Current Period): The total amount of advance commissions added to your current commission advance balance.
- Ending Commission Advance Balance: This amount represents the total accumulation of your advance balance after all credits and debits have been applied from the current summary.

Commissions by Organization Calculation

- Advance Transactions: Total number of advance transactions you have received since the date of your last Commission Summary.
- Advance Commissions: The total amount of commission advances received on all personal and organizational transactions per level since your last Associate Commission Summary.
- Cancel Transactions: Total number of transactions because of membership cancellations. Occurs when a member chooses to cancel their membership or LegalShield stops receiving payment for a membership.
- Advance Recovery: Total amount of advanced commissions recovered by LegalShield due to membership cancellations. When a member cancels before the advance is earned, LegalShield will recover the outstanding portion of the original advance. Also referred to as “chargebacks”.
- Earned Transactions: The total number of transactions that occurred.
- Earned Commissions: The total amount of earned commissions subtracted from your commission advance balance.
- Personal Commissions: The total amount of commissions generated by memberships you sell personally.
- Producing Legs: Downline organizations who wrote advance transactions during the current period.

Incentive & Recognition Programs

Incentive Programs

Click the Incentive Fliers below for more information on these programs.



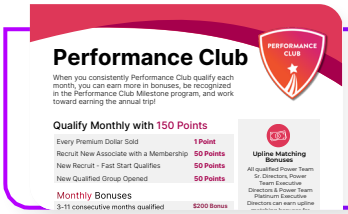
Fast Start:

Advance to Senior Associate within your first 30 days from starting your LegalShield business and attend a Fast Start training class to be eligible to receive the Fast Start bonus.



Advance to Manager:

Advance to Manager within your first 45 days from starting your LegalShield business and attend a Fast Start training class to be eligible to receive an Advance to Manager bonus.



Performance Club:

Our oldest and most loved incentive club for over 25 years! When you consistently Performance Club qualify each month, you can earn more bonuses, be recognized in the Performance Club Milestone program, and work toward earning the annual incentive trip!



Performance Club Upline Matching Bonuses:

Power Team Sr. Directors or Above can earn a Matching Bonus for each month an associate on their team earns a Performance Club check in their first 23 months!

Performance Club Trip

Several opportunities are provided to earn a ticket for you and a guest on the annual Performance Club trip. These opportunities vary each year but typically include a Hit & Earn opportunity, Team Challenge competition opportunity, and a leaderboard opportunity. These opportunities all have one thing in common – Performance Club qualification each month! Previous trip locations have included: Hawaii, Jamaica, Los Cabos, Puerto Vallarta, and more.

Circle of Champions

Circle of Champions is the most prestigious group of leaders in LegalShield! This incentive program is a 6-month qualification and is only available to Executive Directors & Above.

Business Solutions Annual Cash Bonus

This bonus program is a 10-level hit-and-earn incentive that rewards Associates with monthly cash bonuses for reaching established premium levels throughout the year. The more you grow, the more you earn - with cumulative cash bonuses up to $100,000! Stay productive, hit your goals, and watch your bonuses add up month after month!

Incentive & Recognition Programs

Recognition Programs

Click the fliers below for more information on these programs.



LegalShield Ring Program:

The LegalShield Ring program recognizes Associates earning $50,000 - $2,000,000. To qualify, you must achieve the required income for each ring level within a rolling 12-month period.

Associates can track their progress towards the next level of the ring using the Ring Tracker on the Associate Office dashboard. The ring tracker is updated weekly on Thursday around 10 a.m. CT after the previous day's deposits is released.



Performance Club Milestones:

Successful Associates know being Performance Club Qualified each month is key! Consistently PC qualify to earn a PC Pin, recognition on our monthly Communication Show, crystal awards at the Legends level, and more.



Annual Achievement Awards:

The Annual Achievement Awards is the biggest awards show for LegalShield Associates, celebrating our top associates each year. This recognition is based on performance from January through December each year, and leaderboard updates are posted monthly to your leaderboard tab in Associate Office. Those who qualify are honored annually at our spring-time International Convention. Associates who qualify 2nd-10th place take home a stylish crystal award, while the 1st place Associate takes home the coveted Lady of Justice award.

Level Advancement:

Each time you advance to a new level in the compensation plan, we recognize you through email with a level advancement certificate that you can print and display with pride.

When you achieve Senior Director—Diamond for three consecutive months, you receive a recognition package in the mail, which contains a printed certificate and a lapel pin signifying the new level achieved.

Millionaire Club & MCM Levels:

The Millionaire Club recognizes the Associates who have earned $1,000,000 throughout their LegalShield careers. Qualifiers receive a Millionaire Club lapel pin and gold wristwatch.

MCM Levels recognizes associates who achieve additional Millionaire Club levels, such as $2,000,000 - $10,000,000, $15,000,000, $20,000,000, $25,000,000, $30,000,000, and so on.

Incentive & Recognition Programs

Recognition Programs

Production Achievement Awards:

The Production Achievement Award honors Associates who have personally sold 1,000 or more memberships since inception. Additional recognition is given for every 1,000 memberships sold (e.g., 2,000, 3,000, 4,000, etc.). The award is based on sales made from January through December in the previous year, with qualifiers celebrated annually at our springtime International Convention.

Women in LegalShield:

Women in LegalShield celebrates the achievements of our top recruiting and producing female entrepreneurs. This recognition is based on performance from January through December each year, and leaderboard updates are posted monthly on your Associate Office dashboard. To be eligible, you must be the sole female on the agreement or have your name listed first in the recognition name. Those who qualify are honored annually at our springtime International Convention.

40 Under 40:

The 40 Under 40 program honors our top-performing entrepreneurs, age 40 and under, for their outstanding recruitment and production achievements. This recognition is based on performance from January through December each year, and leaderboard updates are posted monthly on your Associate Office dashboard. Those who qualify are honored annually at our springtime International Convention.

Please review the **Incentive & Recognition Guidelines** for more information on qualifications and eligibility.

Marketing Our Products

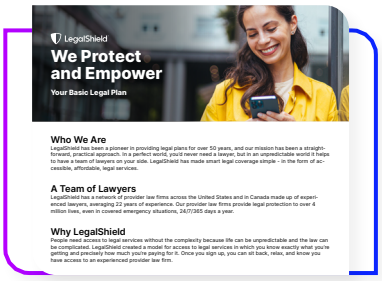
For associate training on the products available and how to market them effectively, visit: pplsifirststep.com

For Canada: pplsifirststep.com/en-ca or Spanish: pplsifirststep.com/es

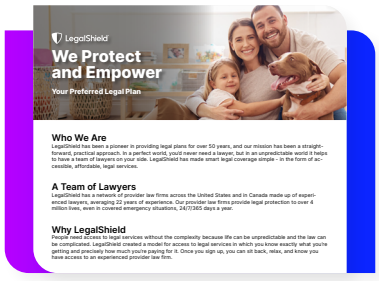
What Products Can You Market?

LegalShield offers three personal legal plans: Basic, Preferred, and Premium. Each plan is designed to fit members' needs and budgets.

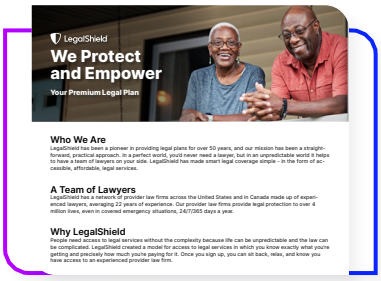
Click the fliers below for more information on these plans.



Basic Legal Plan Flier



Preferred Legal Plan Flier



Premium Legal Plan Flier

IDShield® (1 or 3 Bureau Monitoring)

Private data can be stolen with just a few simple keystrokes. IDShield can proactively help protect against cybercrimes and reputation hijacking with privacy and reputation management consultation.

IDShield Plan Flier

Small Business Basic, Preferred & Premium*

A LegalShield Small Business Legal Plan provides access to a provider law firm for an affordable monthly fee. With LegalShield, business owners are not alone. Three levels of coverage are available.



Small Business Basic Flier



Small Business Preferred Flier



Small Business Premium Flier

(CDLP) Commercial Driver's Legal Plan (Basic & Super)*

We understand that legal situations for commercial drivers can affect the driver and their family, and even their ability to earn a living as a commercial driver.

Commercial Driver's Basic Legal Plan Flier

Commercial Driver's Super Legal Plan Flier

*Note: Not available in Puerto Rico or Canada.

Marketing Our Products

What are the Legal Plan Add-ons Available?

Ride Share & Delivery*:

As an addition to the LegalShield Legal Plan, members can now access our Ride Share and Delivery Add-on and receive:

- Telephone consultation and legal research
- Traffic services
- Calls, letters and document review
- 25% discount
- IRS/CRA audit services

Ride Share & Delivery Add-on Flier

Home Business*:

As an addition to the LegalShield Legal Plan and Small Business Plans, members can now get access to services for their Home Business.

- Home Business Add-on: Advice, Consultation and Research; Letters or Phone Calls; Designated Consultation; Document Review; Collection Letters; IRS Audit Legal Services; and E-Notary Services.
- Home Business Supplement (available in Canada, Alaska, Massachusetts, New Jersey & Oregon): Includes Advice, Consultation and Research; Letters or Phone Calls; Designated Consultation; Document Review; Collection Letters; IRS/CRA Audit Legal Services; and Interstate/Interprovincial services.

Home Business Add-on Flier
Home Business Supplement Flier

Gun Owner:**

As an addition to the LegalShield Legal Plan, members can now access our Gun Owner Supplement and receive:

- Advice and Consultation (Personal)
- Gun Trust Services
- Emergency Access for a Firearm Incident
- 25% Discount
- Trial Defense for Gun Related Matters

Gun Owner Supplement Flier

Trial Defense Add-on:**

Trials can be expensive. LegalShield offers a supplement to your legal plan providing more trial hours if additional lawyer time is needed.

Trial Defense Add-on Flier

Trial Defence Add-on (Canada Only):

This supplement offers lawyer representation and consultation, 75 hours of trial time, 25 hours of pre-trial time, and 5 hours of research, each year of the membership. Also includes a member discount based on the legal plan it's added to and more.

States-At-A-Glance or Provinces-At-A-Glance

For further information on the products and add-ons available by state or province, please visit ao.legalshield.com > Resources > Additional Resources > States at a Glance or Provinces at a Glance.

*Note: Not available in Puerto Rico.

**Note: Not available in Puerto Rico or Canada.

See plan contracts for more details on these Add-ons.

Marketing Our Products

Upgrading a Legal Plan Membership

- Option 1: If an existing legal plan member wants to upgrade their legal plan, they are able to do so by going to their selling associate's website - and signing up for the legal plan tier of their choice. Their existing legal plan membership will be upgraded to the new legal plan membership.
    - Legal Plan upgrades (Preferred or Premium) will **NOT** issue Performance Club points or premium toward incentives or level advancement qualifications.
    - A one-month advance commission will pay out on legal plan upgrades.
- **Option 2:** Existing members also have the option to upgrade their legal plan by going to Accounts.LegalShield.com and selecting "Upgrade Legal Plan" from the banner. This will provide attribution to the original selling associate.

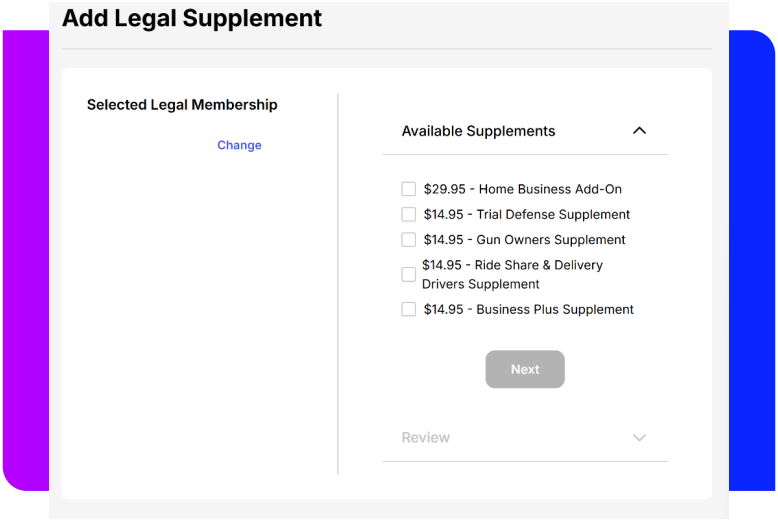
Downgrading a Legal Plan Membership

- If an existing legal plan member would like to downgrade their legal plan to Basic or Preferred, they will need to contact Customer Care - support@legalshieldcorp.com or 1-800-654-7757.

Note: A chargeback will apply to the downgrade if the membership has not made 12 months of payments.

Adding Legal Plan Add-Ons

- If an existing legal plan member wants to add a legal add-on, they are able to do so by going to an associate's website and going to "Add Legal Supplement" located in the footer of the website.
    - The member will need to login and then select the add-on, click Next > Review > Submit.
    - Legal plan add-ons generate Performance Club points and new premium to the attributed associate.



Adding IDShield

- If an existing legal plan member wants to add IDShield, they are able to do so by going to an associate's website and signing up with IDShield.
    - Existing legal plan members who add IDShield will issue PC points to the attributed associate. For example, if an existing legal plan member has a $29.95 legal plan, then adds the $34.95 IDShield 3B Family plan, the attributed associate will receive 35 PC points for the new IDShield sale.

Marketing Our Products

Advertising Guidelines

LegalShield does not endorse or approve advertisements that are not supplied or approved by the Company. **ALL** associates must remain compliant and abide by these advertising guidelines.

Click here to see the most updated guidelines.

Ordering & Printing Marketing Materials

Associate Office by LegalShield

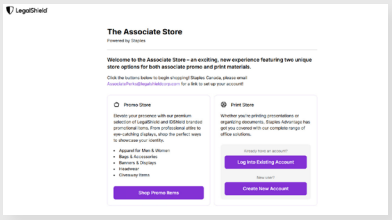
Ao.legalshield.com has a full library of print materials and videos to assist in marketing your LegalShield business. You will also find many training videos and materials.

Staples

Staples is our preferred vendor for supplies.

U.S. Associates go to **TheAssociateStore.com** to set up an account for the print store. You must create an account from this link. Click “Create your print store login”, once you have completed the form, you will receive an email with a link to the store. You should then be able to order from the Custom Printed Items list.

To order promotional items like apparel, bags and banners go to: **https://legalshield.corpmerchandise.com/**



Click here to access TheAssociateStore.com!

Marketing Our Products

Licensing, ID Cards, and Registrations

Do you need a license or registration to sell a legal plan?

Certain states and provinces require you to be properly licensed and registered before selling a legal plan.

What states require licensing or registration?

Alaska, Massachusetts, South Carolina, and Virginia. New Jersey no longer requires a license but Fast Start or other training is required.

For more information on the type of licensing, testing or registration required in each state, visit **U.S. Licensing & Registration Requirements**

For more information on each state's requirements, please visit ao.legalshield.com > Resources > Additional Resources.

What provinces require licensing or an ID card?

Alberta, Manitoba, Saskatchewan, New Brunswick, Nova Scotia, Northwest Territories, and Prince Edward Island.

For more information on the type of licensing or ID Card required, visit: **Canada Licensing & ID Card Requirements**

Can you be licensed in more than one state/province?

Yes.

If I live in a state that does not require a license and I want to market in a state that requires a license, do I still need a license?

Yes. You must be licensed in the state in which the prospective member lives. Certain states require special licenses for nonresidents, and the fees may differ from in-state licenses.

Do I have to renew my license?

Most states require annual or bi-annual renewals of the license/appointment. It is your responsibility to promptly renew any license or appointments according to the state's guidelines.

Can I recruit a new Associate before I am licensed?

Yes, although you are not allowed to sell a membership before being properly licensed.

What about spouse/domestic partner teams?

In a state/province where a license is required to market the legal plans, both must be licensed and appointed for both to sell. They may operate under the same Associate Agreement and Associate number. Both names may appear on the Associate Agreement, but this is not necessary. If both names do appear on the Agreement, both spouses must submit a license application.

States-At-A-Glance or Provinces-At-A-Glance

For further information on licensing and registration requirements by state or province, please visit ao.legalshield.com > Resources > Additional Resources > States at a Glance or Provinces at a Glance.

Membership Processing Policies & Procedures

Membership Payment Methods

1. Bank Draft

The membership may be paid monthly or annually by automatic bank draft transfer from the member's bank account.

2. Credit Card

A member may pay by Visa, MasterCard, American Express, or Discover. (In Canada, MasterCard and Visa only.) Use the credit card portion at the bottom of the Universal Membership Application to check the type of card and fill in the complete card number, expiration date, and the amount to be charged. Credit card payments may be monthly or annually. Statistically, credit card members have a lower retention rate. Prepaid/ Reloadable Cards are not accepted as forms of payment.

3. Check (Paper Application Only)

When writing a paper membership application, be sure the Authorization to Honor Checks or Electronic Transfers section is signed, and the monthly or annual amount filled in by the member. The bank draft authorization must be signed the same way the account holder signs on his or her checking account. We cannot accept an Associate's check for the membership fee, except for immediate family. Commissions will be paid as earned.

A check must accompany the application. Payment for the membership fee must accompany all bank draft business. Thereafter, the monthly membership fee will be drawn automatically from the member's checking account. Remember, you must write separate checks for membership fees and Associate fees.

4. Annual Payment Options

A member may choose to be billed annually for their membership fee. Payment may be made by bank draft, credit card, or by sending a personal check for the annual amount. Quarterly payments are not accepted. Semi-annual payments are accepted but will be paid as earned.

5. Payroll Deduction - Group Sales Only.

You must be qualified for group sales before you approach a group. For more information on group sales, contact Business Solutions at LSbusinessSolutions@pplsi.com.

Membership Application Information

Canadian Membership Enrollment:

Membership Fees for Canadian Members must be paid in Canadian dollars, and applicable tax must be applied.

Incorrect Billing Information or Insufficient Funds:

If a member signs up but we are unable to process their membership due to incorrect billing information or insufficient funds - this may hinder timely processing of the application and delay availability of benefits to the member. This may also impact the selling associate including the payment of commission, incentive eligibility, and level advancement.

Non-Takens Fees:

A $35 "Non-Taken" fee will be charged to the Associate if a member cancels his/her membership without making a payment.

Add-ons & Reinstatements

To add an "Add-on" to an existing legal plan, members can complete the "Add Legal Supplement" form located at the bottom of their selling associate's marketing site.

Or the member can fill out a new membership paper application. The bank draft or credit card information must show the new monthly bank draft amount. "Supplement or Add-on" must be written across the top of the new paper application. The member must authorize a total new amount to be withdrawn in the bank draft, not just the amount of the Add-on.

Membership Processing Policies & Procedures

How are reinstatements done?

When an Associate reinstates a membership that has been cancelled over six months, a new writing Associate can be assigned and membership counter issued. If you were the original writing agent, no counter will be issued, but you will receive as-earned commissions. The reinstating Associate will receive a reinstatement commission as well as be able to earn on the membership through future years.

When an Associate reinstates a membership that has not been cancelled over six months, the original writing Associate will remain as the Associate and continue to earn on the membership.

If the membership has been cancelled for five (5) years or longer, the writing agent will be paid advance commissions on the sale as a new membership.

Helpful Reminders

Prepaid Services

The first month's fee provides services for the month paid, thereafter, to be paid automatically each month.

Phone Applications

When a prospect contacts the corporate office and signs up for a membership, advanced commissions will not pay out. Commissions will only be paid as payment earnings, if the membership is rebuilt to an associate.

Paying for Another Member

An associate cannot pay for someone else's membership unless it is for an immediate family member, commissions will be paid as earned.

To ensure correct processing, send an email to associateservices@pplsi.com with the new membership number and the member's name, explaining the relationship of the member to the Associate. **OR** attach a note to the paper application explaining the relationship of the member to the Associate.

Selling a Plan to Yourself or Spouse

As a LegalShield Associate, you cannot sell yourself, spouse/domestic partner, or a business entity you own a legal, small business, or identity theft membership.

Returned or Pending Business

If the membership application or Associate Agreement you write is not processable, the business will be returned to you. However, in some cases it will be held in the home office pending more information.

The Company is obligated to promptly notify the member that his/her coverage is not in force. You will be able to review all memberships that you write that are returned or in a pending status in your reporting on **ao.legalshield.com.**

Reasons for Return Business

1. Bank information or credit card information is incomplete or inaccurate.
2. An Associate cannot pay for a membership except for immediate family members (mother, father, child, brother, sister, niece, nephew, grandparent, or grandchild).
3. No money was received for the Associate Agreement (non-payment).
4. Selling Associate is not licensed in the state/province in which the member resides.
5. The state, province or commonwealth in which the membership was purchased is not open for business or the plan requested is not available.
6. Payroll deduction selected for an individual sale (available only to groups).

Membership Processing Policies & Procedures

Helpful Reminders (Continued)

Recruiting Yourself or Spouse

As a LegalShield associate, you cannot recruit yourself, spouse/domestic partner, or a business entity you own. A husband and wife can have unique and separate associate agreements; however, they must have the same sponsoring associate.

Associate Policies & Procedures

Guidelines for Conduct

At LegalShield, we believe that our business should be conducted in an ethical, honest, and fair manner, using the "Golden Rule" as a basic principle in all business activities. We expect our Associates to present our products/services in an honest and truthful manner, with dignity, always conscious of the reputation and integrity of LegalShield and its Associates.

Click here for the most current version of the Policies and Procedures.

Associate Vesting – Maintaining an Active Agreement

To be eligible to receive commissions, Associates must have an active Associate Agreement.

To keep their agreement active, Associates must do one of the following each calendar quarter:

Maintain an active personal legal plan membership* OR Personally sell $100 worth of membership premium

If an Associate fails to do either, his or her Associate Agreement will be placed in a precancel status for one quarter. During the precancel quarter, the Associate must either:

Reinstate their personal legal plan membership* OR Personally sell $200 in membership premium

If these requirements are not met, the Associate will go into a dropped status at the end of the precancel quarter. Upon the date the Associate Agreement is dropped, the Associate loses all downline, level, counters, and qualifications and forfeits any pending advanced commission, earnings, and bonuses.

Associates are responsible for ensuring their membership is tied to their Associate Agreement and for staying informed of their status. LegalShield does not notify Associates of their vesting status.

Once dropped per vesting you may reactivate your Associate Agreement in one of the following ways:

- Within 30 days of the date the Agreement was cancelled, Associates can reinstate their legal plan membership and request to have their organization and level reinstated.
- Within 31-90 days of the date the Associate Agreement was dropped per vesting - the Associate may submit a written release from their sponsor and first Executive Director in their upline. The Associate must also have an active legal plan (or IDShield plan in eligible Canadian provinces). This is the only way the Associate can be reinstated with all downlines, level, production, and qualifications.
- After 90 days of the date the Agreement was cancelled, the Associate Agreement can be reinstated under the same sponsor, but will lose line, level counters and qualification. The Associate must have an active legal plan (or IDShield plan in eligible Canadian provinces) to reinstate the agreement.
- In each instance, the Associate must wait six months to change sponsors.

*An IDShield membership will count toward vesting in eligible Canadian provinces.

Associate Policies & Procedures

Entities as Associates

Entities wanting to become an Associate must submit an application. **Please see the Entities as Associates document for more information.**

In a state where a license is required to sell the legal plan, the following additional information is required: Verification that all owners and partners are licensed to do business under this Agreement.

Each person selling under the Agreement must be properly licensed in the state. **Licensing information is available here.**

Associates must be licensed prior to marketing any legal plan memberships. Associates may not receive commissions on legal plan memberships sold prior to their license date.

Entity names cannot contain the words "LegalShield," "Legal," "PPLSI", etc. Associates cannot work under company names that sound like a law firm's name or names that imply the Associate is providing the legal services. It must be evident that the Associate is only marketing our services. New entity names to describe this business should be approved by the home office prior to registration.

Entities cannot sponsor members of their Board of Directors, owners of 10% or more of the stock, or any officer of the company.

Note:

- Each selling Associate under a corporation, agency, or entity must include his or her personal Social Security number on the membership application along with the Associate number of the corporation, agency, or entity. This will allow the Associate's business to be processed without undue delay.
- The entity name listed on the Associate Agreement must match the number to which income is reported.
- If Tax ID does not match IRS records, then Associate must provide proof of Tax ID.

Felony Conviction

If you indicated that you or someone who might write business under your agreement has had a felony conviction, the following information will be requested:

- A copy of the court documents indicating the actual charge(s).*
- A copy of the court documents stating the current disposition (sentencing). This should include dates in and out of confinement (if applicable), date paroled (if applicable), and/or documentation of the release from parole/probation. If not yet released from probation, please advise us of the expected release date.*
- A current character reference letter that is not from family members or your sponsor.
- A detailed letter of explanation in your own words.

*If you are unable to obtain your court documents, please advise us of this in your letter of explanation and list the charge(s) and the current disposition(s).

Complaints

Complaints can be filed against Associates for several reasons. Our goal at LegalShield is to handle each complaint with speed and accuracy. LegalShield will listen to both sides of every complaint, as we want to train our Associates on how to correctly market the service.

The most common complaints are:

- Misrepresentation of the LegalShield product or opportunity.
- Forgery and/or fraud on a membership application or Associate Agreement
- Unprofessional behavior at a meeting or elsewhere
- Proselytizing, unauthorized advertising, or internet related marketing violations.

When a complaint is filed on an Associate, we contact the Associate to get their account of the situation. If the complaint is substantiated by LegalShield, a verbal warning is issued to the Associate. Should another complaint of the same nature be filed on an Associate, a formal warning will be sent via email. A third offense of the same nature will result in termination. Extremely serious cases are handled on a case-by-case basis.

Associate Policies & Procedures

Note:

- Non-response from the Associate results in their agreement being placed on hold.
- Termination can result if an Associate answers any questions on the Associate Agreement falsely or purposely attempts to cover a violation.
- Depending on the severity of any complaint, warnings may be omitted

Should you need more clarification on the procedures regarding complaints and how they are handled, call Associate Services at (580)-436-7424.

Name/Number & Address Changes

Associates that wish to change the name on their Associate Agreement must upload a new Associate Agreement Application (with Name Change written at the top of the application) and a Name and Number Change Agreement to the home office. This applies to a legal name change or change due to marriage. Once the name change is processed the Associate Agreement will be placed on hold pending verification of the name and Tax ID.

Use this form when requesting a Name/Number Change.

Note: This does not allow for a change in ownership of the agreement, this is for name change only. If changing to a spouse's name, the spouse must already be listed on the membership prior to the request. If you are sending in a Name and Number Change Agreement, you must also send in a new, completed **Associate Agreement** for changes to be completed.

Associate Tax ID Number Changes

If the Tax ID number needs only to be corrected, Associates must upload a new **Associate Agreement** with the correct information. The Associate Agreement will again be placed on hold for verification of the name and Tax ID. Name and SSN/Tax ID on file must match IRS records. Change will cause hold for verification.

Associate Address/Email/Phone Number Changes

Associates that wish to change the address, email or phone number listed on their Associate Agreement may contact Associate Services at (580)-436-7424 or email a written request to associateservices@pplsi.com. The written request to update must come from the current email address on file for the Associate Agreement.

Stacking

An Associate may not "stack" Associate Agreements by sponsoring their spouse, domestic partner, or business entity. In the event this occurs, the stacked agreement will be terminated or be moved to match sponsoring associates' sponsor. This would be considered a duplicate agreement.

Duplicate Associate Agreements

A duplicate agreement may be considered when an associate would like to maintain an agreement as well as have their business entity maintain an agreement. LegalShield reserves the right to deny or approve a duplicate Associate Agreement.

One Membership can vest both Associate Agreements. Both Associate Agreements must have the same Sponsor.

Associate Policies & Procedures

Important Notice:

At the Company's determination, any Associate or Associates who encourage, promote, or assist another Associate or Associates to drop-out of the business and re-enter as part of another organization, will be subject to appropriate disciplinary action, up to and including termination of all Associates involved. This also includes any Associate who may assist the effort in any manner such as allowing business to process through their account. It is the Company's interpretation that such collusion is the equivalent of proselytizing and will be treated as a serious violation of the Company's Policies & Procedures.

Level Advance Review

All requests for Senior Director and above reviews must be submitted within seventy-two (72) hours from the beginning of a new month to be considered for the preceding month. Email your request to executivedirector@pplsi.com.

Performance Club Qualification Review

All requests for Performance Club point reviews must be submitted within seventy-two (72) hours from the beginning of a new month to be considered for the preceding month. Send your request to performanceclub@pplsi.com.

Sponsor Changes

What is a "sponsor change"? A sponsor change is made to move an individual or writing agent from one organization into another organization.

What is the procedure for changing sponsors? While not encouraged, sponsor changes are allowed provided you have been an active Associate for at least six months.

To complete a sponsor change:

1. Submit a new **Associate Agreement**
2. Pay the Associate enrollment fee
3. Obtain written releases from your entire upline, beginning with your sponsor through all Platinum levels. Written releases must be sent in within ten (10) days of the date the home office receives the new Associate Agreement.

Releases are not required for Associates who have had no business activity in the last year or have been cancelled for at least 6 months.

Note: Sponsor changes will not count toward level advancements.

If you request a sponsor change, you will lose all downline, level advancements, production, and qualifications. You will continue to receive earnings on memberships sold prior to the sponsor change. However, if you terminate your Associate Agreement, you will not continue to receive earnings. Your existing counters will not be added to your new upline's counters. You are not eligible for another sponsor change for one (1) year from the date the last sponsor change was processed. If you terminate your Associate Agreement (by written request), you will be eligible for a sponsor change six (6) months from the date the termination request is processed. If you do so, you will lose any downline, level advancements, counters, and qualifications.

Commissions on membership sales submitted during processing of sponsor change will not be altered.

Releases are not required for Associates who have had no business activity in the last year. Contact Associate Services for a list of required releases.

Associate Policies & Procedures

U.S. Funds

1099 Information: All Associates residing in the U.S. who received more than $600.00 (U.S. funds) in commission income annually will receive a 1099. All Associates residing in Canada who received more than $600.00 (U.S. funds) in commission income annually will receive a 1042-S. Because of adjustments which could be made, an Associate's 1099/1042-S may not be the sum of actual cash received. Income is defined as ALL money advanced to the Associate during a calendar year. LegalShield will electronically provide 1099/1042-S information by January 31st of each year.

If an Associate did not make $600.00, he or she is still responsible for reporting it, but LegalShield is not obligated to issue a 1099 or 1042-S.

Tax information is available online for previous years at no cost.

Associates may access their tax documents under their account at **ao.legalshield.com.**

Reported income includes commission advances, commission adjustments, and incentive trips.

Canadian Funds

All Associates residing in Canada who received more than $500.00 (Canadian funds) in commission income annually will receive a T4A. Because of adjustments which could be made, an Associate's T4A may not be the sum of actual cash received. Income is defined as ALL money advanced to the Associate during a particular year.

All Associates residing in the U.S. who received more than $500.00 (Canadian funds) in commission income annually will receive a T4A-NR.

If an Associate did not make $500.00, he or she is still responsible for reporting it, but LegalShield is not obligated to issue a T4A or T4A-NR.

Canadian Policies

Social Insurance Number: The SIN is required on the Associate Agreement for tax purposes only. The SIN number on the membership is not required; however, Associates are encouraged to put their SIN on the application for tracking purposes.

Canadian Taxes: Applicable Canadian taxes are added to Associate and member fees at enrollment.

- Four (4) taxes which could apply to LegalShield: GST, PST, HST, QST.
- GST (Goods and Services Tax) PST (Provincial Sales Tax) QST (Quebec Sales Tax) HST (Harmonized Sales Tax)

Canadian Policies - Withholding and Reporting

(U.S. residents receiving Canadian commissions)

If you are a U.S. resident marketing in Canada, Revenue Canada Regulation 105 Requires 15% withholding on any payment to a nonresident regardless of whether the payment is taxable under treaty.

The company is required to issue all U.S. residents who received commissions from Canadian membership sales a report indicating commissions paid and amounts withheld. This report is called T4A-NR and will be issued by the end of February. Individual Associates have until April 30 to file a return with Canada Customs & Revenue Agency (formerly Revenue Canada). The form to be filed is T-1 Income Tax and Benefit Return. The return should be filed for the province or territory where the income was earned. You can also file a T1 General if income was from multiple provinces or territories.

For corporations receiving commissions the form to be filed is a T2 and is due six months after the end of the corporation's fiscal period.

Associates can obtain the proper forms for filing on the Website maintained by Canada Customs & Revenue Agency.

Associate Policies & Procedures

Do all Canadian Associates have to file withholding waiver forms?

It is your decision. Internal Revenue Code Section 1441 requires 30% withholding on payments to foreign persons (nonresident aliens) with U.S. source income. However, the 30% withholding may be waived if you submit properly completed forms as outlined below.

Following are the steps for Associates marketing as individuals:

Step 1: Complete Form W-7 and return it to the Internal Revenue Service. The IRS will then issue you an ITIN (Individual Taxpayer Identification Number), which you will use to complete Form 8233.

- Form W-7 (“Application for IRS Individual Taxpayer Identification Number”)

To facilitate the U.S. filing requirements, the non-U.S. resident Canadian Independent Associate will be required to obtain a U.S. Individual Tax Identification Number (ITIN). Form W-7 is used for this purpose. If you do not have an ITIN, complete this step first.

Step 2: Once you have received your ITIN, complete Form 8233 and submit it to LegalShield, along with your ITIN for our records. Until we receive your ITIN and Form 8233, LegalShield is required to withhold 30% from your commissions on U.S. sales.

- Form 8233 (“Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual”)

Form 8233 is used to claim exemption from withholding on some or all compensation paid for independent personal services (self-employment). Under the terms of the Associate Agreement you sign when you become associated with the company, you are considered an independent sales contractor of the company. You are not an employee.

On line 12A write in “U.S./Canada Treaty Article XIV”. On line 12B write, “All compensation is exempt.”

Form 8233 must be filed with the company for each tax year. This form will be required when you initially become an Associate for the first tax year and each December thereafter.

Refunds

An Associate may request a refund within 5 business days of his or her production date. Refunds are only considered if there is no downline activity on the account (placed or personal) and no corporate-sponsored training registration has occurred. Associates should call Associate Services at (580) 436-7424. The Associate will be refunded the same way the Associate fees were processed.

Associates may request a refund of the LegalShield Advantage subscription if canceled within 5 business days of their last billed date.

Associate Services & Customer Care

Associate Services

Should you need any help with your business, the Associate Services department is here to support you. Our consultants can assist in several ways, including:

- Help with licensing inquiries
- Technical support
- Incentives and promotions
- Membership processing
- Training
- Compensation
- All corporate policies and procedures
- And more!

Contacting Associate Services

- Hours: Monday-Friday, 7:00 am-7:00 pm CT
- Phone: 580-436-7424
- Email: AssociateServices@pplsi.com
- Live Chat: Click “Help & Support” at the bottom left of the ao.legalshield.com screen.

Customer Care

Should you need any help with your personal or business membership, the Customer Care department is here to support you. Our consultants can assist in several ways, including:

- Billing inquiries
- Technical support
- Law firm information
- Membership changes
- Contact inquiries
- All corporate policies and procedures
- And more!

Contacting Customer Care

- Hours: Monday-Friday, 7:00 am-7:00 pm CT
- Phone: 800-654-7757
- Email: MemberServices@pplsi.com
- Live Chat: Click the purple “Live Chat” icon at the bottom right of LegalShield.com.

Glossary of Terms

Active Associate or Vested Associate - An individual who markets LegalShield Memberships and who maintains a personal membership or personally sells $100 of membership premium per calendar quarter.

Active Member – An individual who pays a fee for services and whose membership is paid to date.

Add-on - additional coverage for your existing legal plan membership.

As Earned - Pays 1/12th of the advanced amount each month that the member makes a payment.

Advance - A 100 percent commission paid to Associates when a new membership sale is made based on a 12-month period.

Advanced Commission Balance - Represents individual and override commissions advanced when sales are made that are not yet earned by the Associate.

Advance Recovery - Withholding future sales commission to recover advances for cancelled memberships.

Agent of Record or Writing Agent - Someone who is authorized to do business on an Associate Agreement. Usually, corporations have agents of record if more than one person is doing business on an Agreement.

Cash Accrued - Commissions accumulated to your Associate Agreement that have not yet been released by check or direct deposit.

Commission Adjustment - An adjustment made to your commissions.

Downline - Your first line Associates and any Associates below them.

D-Status or Terminated - An Associate Agreement may be placed in a "D" or dropped status for one of the following reasons:

1. The Associate's LegalShield Membership or IDShield Membership in an eligible Canadian province is no longer in effect and he or she has not met the requirements of $100 personal premium per calendar quarter;
2. the Associate has submitted a written cancellation; or
3. the Associate has been terminated by LegalShield.

Earnings - The residual income available as long as the membership remains active. Earnings accrue monthly when payment is received for a membership. All earnings apply to reduce the debit balance.

Effective Date - The date when the Membership Application or Associate Agreement was signed by the new member or Associate.

First Line - An Associate sponsored or placed directly beneath you.

Genealogy - A report showing the status of your organization.

Group Rate - Discounted membership rate offered to employee-based groups. Associates must be group qualified to sell to groups.

Hold - An Associate Agreement may be placed on hold for returned checks, improper business being conducted, when company information is needed or in other situations the Company may deem appropriate or necessary. Commissions will not release while the Associate Agreement is in hold status although the Associate may continue to market unless otherwise notified.

Glossary of Terms

“I” Status - Associates may be placed in an insufficient or “I” status for an invalid address on their Associate Agreement. The “I” status will remain until the Associate submits a written change of address. No commission will be released while the Associate Agreement is in this status.

License Appointment Date - The date upon which LegalShield receives a copy of an Associate’s license and appointment fee to be eligible to sell memberships. License requirements vary by state and province.

License Date - The date an Associate becomes licensed by the state to be eligible to sell memberships.

Membership Upgrade - Occurs when a member moves to a plan with additional coverage.

Payment Earnings - Distributed to you as payments are received rather than reducing your debit balance. As payments are applied, you receive earnings. (For special types of business only.)

Pending Business - File where your business is held if a credit card declines, you have an invalid sponsor number, future effective date, etc.

Pending Statements - A statement generated at the end of each month if the cash accrued balance on your Associate Agreement is not large enough to generate a check or direct deposit.

Placing Associate - An Associate who recruits a new Associate and places them somewhere in his/ her downline.

Processable - Membership Applications or Associate Agreements completely and accurately filled out with all necessary documentation required by LegalShield.

Processing - The series of steps Membership Applications and Associate Agreements go through upon their arrival at the home office.

Proselytizing - Soliciting, directly or indirectly, LegalShield Associates into any other network marketing organization. Associates proselytizing in any fashion are subject to termination.

Provider Law Firm - A law firm with which LegalShield contracts to provide services to LegalShield members.

Realignment - Occurs when an Associate moves from one sponsor to another in the same organization within the first 30 days of the effective date with written releases (Only for Web Applications).

Referral Law Firm - A law firm that the LegalShield Provider Law Firm may refer LegalShield members to for additional services.

Reinstatement - Selling a membership to someone who has previously owned a membership or sponsoring an associate who has previously been an associate.

Return Business - File where your business is held if any paperwork is filled out incorrectly. Examples: Need voided check, no address, no Social Security number, etc.

Special Draft - When a payment is not received for a membership, a special draft will be created to obtain the month’s premium. Commissions will be paid when the funds have been applied to the membership.

Sponsoring Associate - The Associate who is directly above you and who sponsored you into LegalShield.

Stacking - A situation created by an Associate who submits more than one Associate Agreement to collect multiple levels of commissions on one membership. Stacking is a violation of LegalShield policy. Spouses can have separate Associate Agreements, but they must be under the same sponsor.

Glossary of Terms

Terminated - Associate Agreement placed in a dropped status either by written request or by LegalShield.

Upline - Your sponsor and any Associates above him or her.

Vesting - Keeping your Associate Agreement in an active status either by personally selling $100 of membership premium per calendar quarter or maintaining a personal legal membership. In Canada where a legal plan is not available, an IDShield Membership can vest an associate.

Writing Agent - Someone who is authorized to do business on an Associate Agreement. Usually, corporations have agents of record if more than one person is doing business on an Agreement.

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