



MEMBERSHIP APPLICATION

Mail to: FA Legal ■ 3025 S. Parker Rd. Ste 801 ■ Aurora, CO 80014 or Fax to: (303) 309-3809 Phone: (303) 597-1987

Date _____ Referred by: _____

First Name: _____ MI: _____ Last: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Primary Phone: () _____ Secondary Phone: () _____

Fax: () _____ Email: _____

Company: _____ IA/BD Affiliation: _____

Certifications (check all applicable):

Securities Licensed CFP BD Principal Lawyer Ins. Agent RIA CPA

Other: _____

Member sign in: Username: _____ Password: _____

(Must include min. 6 characters and one number)

One Time Payment:

eMitigation Membership: One annual payment of \$495 (save \$69)

eMitigation PLUS Membership*: One annual payment of \$975 (save \$93)

Payment Plans:

eMitigation Membership: Monthly payments of \$47 Quarterly payments of \$141

eMitigation PLUS Membership*: Monthly payments of \$89 Quarterly payments of \$267

PAYMENT AUTHORIZATION: I hereby authorize Financial Advisors Legal Association, Inc., (F.A. Legal) to charge my credit card from the financial institution below. I agree if any charge is dishonored, whether intentionally or inadvertently, F.A. Legal shall be under no liability whatsoever and that I will be responsible for any outstanding balance. I agree and understand that this authority is to remain in effect a minimum of one year. Furthermore, I understand that my membership renews automatically (on an annual basis under the payment terms and charged to the debit/credit card I indicate below) until F.A. Legal receives written notification from me thirty (30) days prior to my membership termination.

MC / Visa / American Express / Discover Card #: _____ Exp. _____

Cardholder Signature: _____

I hereby certify that I have read and understand the F.A. Legal "Membership Terms" and understand that excluded from the described membership benefits are any claim(s) filed against me prior to the date of my initial membership including any related claim(s) even if filed after the date of my initial membership. Furthermore, I understand this contract is an annual contract, which renews automatically on an annual basis unless cancelled by me in writing, notice given to F.A. Legal thirty (30) days prior to my membership termination. Any misstatement and/or material omission of information in this Membership Application shall void my membership from inception.

Applicant's Signature: _____

*Subject to credit and broker background check



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MEMBERSHIP TERMS

PLEASE READ THESE MEMBERSHIP TERMS CAREFULLY: ALL TERMS APPEARING IN “QUOTATION MARKS” ARE DEFINED IN THE DEFINITION OF TERMS SECTION AT THE END OF THIS DOCUMENT.

To be eligible to qualify for a membership in Financial Advisors Legal Association, Inc. (FA Legal) and to be accepted for membership, an applicant must first submit to FA Legal an accurate, complete, and executed membership application together with the current annual membership fee. Furthermore, an applicant must meet the qualification(s) for acceptance described herein. Any misstatement and/or material omission of information in the membership application shall be grounds for FA Legal to void the membership and the Member applicant will forfeit any fees paid from inception. Upon “written acceptance” by FA Legal of the application, the Member shall be entitled to certain benefits as outlined below.

The benefits described herein are available only to Members of FA Legal in “good standing”.

Whether or not the Member is the subject of a “claim”, in order for a Member to claim entitlement to a “defense” to a “claim”, the “claim” must not have been based upon or related in any way to a “claim” against the Member which was “under investigation, threatened, known, and/or pending” prior to the “written acceptance” of an application for membership in FA Legal.

Under no circumstances shall FA Legal be responsible to afford a “defense” to a Member for “criminal conduct”. This membership should not be construed as a contract of insurance. Under no circumstances shall FA Legal be responsible to pay on behalf of a Member any judgment, award, fine or levy, and/or be obligated to reimburse a Member for fees, costs, taxes, expenses, or sums of any type or kind that may be adjudicated or assessed against a Member by any court, arbitrator, administrative body, governmental entity, and /or other authority.

It is understood that FA Legal is a professional association established to administer benefits to its Members in “good standing” pursuant to the terms and conditions described herein. As a professional association, FA Legal is not a law firm nor does FA Legal impart legal advice, legal services and/or legal defense to its Members. Legal advice, legal services and/or legal defense is the sole responsibility of the referred attorney(s), and/or referred retained attorney(s), and/or law firm(s) enlisted and/or retained by the Member through the auspices of FA Legal pursuant to the membership terms and conditions described herein. Under no circumstances is FA Legal responsible to the Member for any awards, damages and/or fees associated with the representation and/or services rendered to a Member by a referred attorney and/or law firm.

eMitigation Member Benefits:

- a) Referral to experienced lawyers and/or law firms at a 20% discount off the regularly published hourly rates to assist the Member in obtaining representation.
- b) The web-based **eDefense Manager** which includes professional references, templates and more.
- c) Access to fourteen (14) hours of continuing professional education (CPE) certifications (including insurance) delivered via the web-based **eDefense Tutorial**.
- d) The FA Legal quarterly newsletter, The Financial Advisor Times.
- e) Industry and Regulatory updates.

eMitigationPLUS Member Benefits:

In addition to the eMitigation Member benefits, the **PLUS** membership shall be entitled to one “Defense” to “Claim(s)” in a given “Membership Year”. “Defense” afforded the Member includes the following:

- f) Legal representation by a lawyer and/or law firm experienced in securities litigation and financial matters to defend against a “Claim” chosen by FA Legal.
- g) The “Defense” shall be for any “Arbitration” or “Mediation” conducted by the Financial Industry Regulatory Authority (FINRA), or any other forum provided by a self-regulatory organization or the American Arbitration Association (AAA) initiated against a Member by either an “Individual Client and/or Customer” and/or an heir of an “Individual Client and/or Customer”.

QUALIFICATIONS FOR ACCEPTANCE:

In order to be accepted for Membership in FA Legal, an applicant must qualify either as:

- a) An “Individual Financial Advisor” and/or an “Individual Financial Consultant” registered with a State Regulatory Agency, Federal Regulatory Agency and/or a Self Regulatory Organization (SRO), and/or an “Individual Registered Investment Advisor” registered with a state and/or federal regulatory agency to impart investment advice and /or investment consultancy services; or,
- b) An “Individual Registered Representative”.

PROCEDURES:

Members in “Good Standing” of FA Legal shall be entitled to one “Defense” to “Claim(s)” in a given 12 month period; it being understood that a “Defense” shall not include a court motion to confirm/vacate an arbitration award and/or an appeal there from.

In order to be afforded a “Defense” to a “Claim”, a Member must:

- a) Notify FA Legal via phone at (303) 597-1987, email to info@falegal.com, or fax to (303) 309-3809 **within fifteen (15) days after the Member first receives notice of a “Claim”**.
- b) Enter into a written retainer agreement with legal counsel referred by FA Legal to afford a “Defense” to a “Claim” against the Member.

The eMitigation PLUS membership requires an advance to legal counsel referred by FA Legal (hereinafter “referred counsel”) or to FA Legal to be forwarded to the referred counsel a retainer fee of five thousand dollars (\$5,000) (hereinafter the Initial Retainer); it being understood that after the payment of the Initial Retainer, FA Legal and the Member shall thereafter be responsible for compensating the referred counsel on the following terms:

- i. FA Legal shall be responsible for paying the first \$20,000 in attorney fees incurred exceeding the Member’s Initial Retainer;
- ii. The Member shall be responsible for paying the next \$10,000 in attorney fees incurred exceeding the Member’s Initial Retainer and the preceding obligation of FA Legal;
- iii. FA Legal shall be responsible for paying the next \$15,000 in attorney fees incurred exceeding the Member’s Initial Retainer and the preceding obligation of FA Legal and the Member;
- iv. The Member shall be responsible for paying all attorney fees incurred exceeding the Member’s Initial Retainer and the preceding obligation of FA Legal and the Member until the “Claim” is resolved.

FA Legal shall **not** be required, however, to bear any costs associated with a motion to confirm/vacate the arbitration award and/or an appeal there from.

- a) Pay “**Out of Pocket Expenses**” incurred by and invoiced to the Member by legal counsel referred by FA Legal and retained by the Member. Additionally, the Member will be personally responsible for his/her share of the Award for an Arbitrator’s and/or a Mediator’s per diem fee, and arbitration or mediation forum and hearing fees.

A Member receiving a "Defense" benefit for the "Defense" of a "Claim(s)" who is not in "good standing" shall be solely responsible for all legal fees and/or costs incurred from the date of the retainer agreement executed between the Member and the attorney and/or law firm retained for the "Defense" of such "Claim(s)." A Member may, at his/her sole cost and expense, retain personal counsel of his/her own selection to act as co-counsel and associate in the "Defense" of the "Claim" along with legal counsel referred by FA Legal and retained by the Member.

TERMS AND RENEWAL PROVISIONS:

Membership in FA Legal is for a contract term of one (1) "Membership Year". FA Legal, at its sole discretion, may cancel from inception, the membership of any Member if FA Legal should determine in good faith that there was a material omission(s) and/or misstatement(s) in the Membership application. FA Legal shall also have the right to refuse to renew the membership of any Member. Unless FA Legal elects at its sole option, not to renew the Membership of a Member, the Member understands and agrees that **this is an annual contract** and shall thereafter **renew automatically** for successive one (1) year terms unless the Member submits to FA Legal written notification of his/her intention to terminate with such notice to be received by FA Legal by fax to **(303) 309-3809**, or by certified mail to: **FA Legal, 3025 S. Parker Rd. Ste 801, Aurora, CO 80014**, no later than thirty (30) days prior to the renewal date of the Member's then current membership contract. **It is understood and agreed if any Member charge is dishonored, whether intentionally or inadvertently, FA Legal shall be under no liability whatsoever and the Member will forfeit all funds paid to FA Legal.**

VOLUNTARY TERMINATION:

Voluntary termination may occur at the end of any billing period of your membership. Payments are not refunded. If you terminate your membership, you may rejoin as an eMitigation member, however, you will not be eligible for the eMitigation**PLUS** membership for 6 months upon returning and must complete the eDefense Manager Tutorial and be subject to a credit and broker background check prior to acceptance as an eMitigation**PLUS** member.

CONFLICT(S) OF INTEREST:

It is understood that with respect to legal defense and/or legal consultation potential conflict(s) of interest(s) may develop. In the event a conflict of interest is deemed to exist by the lawyer and/or law firm representing the Member, the Member agrees to waive any conflict(s) and to continue with the same lawyer and/or law firm. However, if in the opinion of the defending lawyer and/or law firm a conflict of interest cannot be mitigated, the Member will be appointed separate legal counsel whose fees will be paid for by FA Legal (payment to continue as described in Procedures section above). Additionally, any Member may, **at their sole cost and expense**, retain outside counsel of their own selection to act as co-counsel and associate in the "Defense" of the "Claim" along with legal counsel referred by FA Legal and retained by the Member.

CONFIDENTIALITY:

All Member information will be deemed confidential. The confidentiality of proprietary information including, but not limited to, lists, reports, materials, and procedure(s) will be safeguarded under physical, electronic, and procedural safeguards that comply with federal standards to protect any and all Member confidential information. Under no circumstances will any confidential information be disclosed to any entity and/or person without the express written consent of the Member.

DISPUTES:

The Member and FA Legal agree, as a condition to membership in FA Legal, that any and all disputes between them, whether based in law or in equity, relating to membership and/or the benefits of membership or any other related issues arising out of membership, shall be finally resolved by binding arbitration conducted through the auspices and under the rules of the American Arbitration Association, with the venue of all hearings to be held in Denver, Colorado. The Member agrees that he/she is giving up any rights they might possess to have disputes litigated in a court of law.

If the Member should refuse to submit to arbitration, the Member acknowledges that FA Legal will move to compel the Member to arbitrate. Any demand for arbitration shall be made in writing within one (1) month of the date of the dispute. Any failure to timely demand arbitration shall constitute a complete waiver by the Member of their rights.

DEFINITIONS:

Whenever used in these Membership Terms, the following words or phrases shall have the following respective meanings:

“Arbitration” shall mean a non-judicial dispute resolution conducted at the FINRA, and/or forum provided by a self-regulatory organization or the AAA.

“Claim” shall only mean any “Arbitration” or “Mediation” conducted by the Financial Industry Regulatory Authority (FINRA), or any other forum provided by a self-regulatory organization or the American Arbitration Association (AAA) initiated against a Member by either an “Individual Client and/or Customer” and/or an heir of an “Individual Client and/or Customer” of the Member.

“Criminal Conduct” shall mean activity and /or conduct defined by any state and/or federal jurisdiction as a criminal act.

“Defense” shall mean representation by a lawyer experienced in securities litigation and financial matters to defend against a “Claim” initiated by an “Individual Client and/or Customer”. It is understood that a “Defense” shall not include a court motion to confirm/vacate an arbitration award and/or an appeal there from. **UNDER NO CIRCUMSTANCES SHALL FA LEGAL BE RESPONSIBLE TO AFFORD A “DEFENSE” TO A MEMBER TO ALLEGATIONS OF “CRIMINAL CONDUCT”.**

“Good Standing” shall mean a Member in the conduct of his/her business shall observe high standards of commercial honor and just and equitable principles of trade, and be current with membership fees.

“Individual Client and/or Customer” shall mean any individual afforded “Professional Services” by the Member; however, this term DOES NOT include any corporation, entity, firm, trust, group, union, association and/or company.

“Individual Financial Advisor” shall mean an individual who offers “Individual Client(s) and/or Customer(s)” economic, accounting, financial investment advice, lending, individual money management and/or financial consultancy services.

“Individual Financial Consultant” shall mean an individual who offers “Individual Client(s) and/or Customer(s)” economic, accounting, financial investment advice, lending, individual money management and/or financial consultancy services.

“Individual Registered Investment Advisor” shall mean an individual (not a corporation and/or other entity) registered as an investment advisor with their particular state(s) of authorized jurisdiction that offers “Individual Client(s) and/or Customer(s)” economic, accounting, financial investment advice, lending, individual money management and/or financial consultancy services.

“Individual Registered Representative” shall mean an individual who is registered with the Financial Industry Regulatory Authority (FINRA) and employed by a domestic Broker/Dealer in good standing within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisors Act of 1940.

“Mediation” shall mean any mediation of any customer-client claim in which the Member is or can be subject to an adjudication of legal liability for money damages alleging the Member to have committed an error or omission in connection with the rendering of “Professional Services” to the “Individual Client and/or Customer”.

“Membership Year” shall mean an annual membership for a period of one year commencing from the date of acceptance by FA Legal of Membership Application to the renewal date thereafter.

“Out of Pocket Expenses” shall mean the costs related to filing fees, forum fees, hearing session fees, expert witness fees and expenses, subpoena fees and service expenses, computer research, document procurement, exhibit production, photocopying, postage, telephone charges, transcripts of proceedings, travel, accommodations, meals, etc. Additionally, the Member will be personally responsible for his/her share of the Award for an Arbitrator’s and/or a Mediator’s per diem fee, and arbitration or mediation forum and hearing fees, including fees for any non-judicial dispute resolution conducted at FINRA, and/or a forum provided by a self-regulatory organization or the American Arbitration Association (AAA). Any individual “out of pocket expense” under the control of the defense lawyer exceeding two hundred fifty dollars (\$250) must be pre-approved by the Member.

“Professional Services” shall mean services rendered by a Member to an “Individual Client and/or Customer” in connection with the purchase or sale of a security as defined by the Securities Exchange Act of 1934 and/or under any state Blue Sky law(s) and any insurance and/or financial advice or financial consultancy services rendered on behalf of an “Individual Client and /or Customer” in connection therewith.

“Under investigation, threatened, known, and/or pending” shall mean any action based upon or related to claim under investigation, threatened, known, and/or pending involving an “Individual Client and/or Customer” including, but not limited to, a legal inquiry, deposition, letter, verbal assertion, verbal and/or written threat of action against the Member, whether or not the Member is subject prior to the date of his/her official membership activation date.

“Written Acceptance” shall mean the date and time of acceptance of the Member’s application confirmed in writing by FA Legal and delivered to the Member.