



CSI FACTORING LLC  
Financial Solutions & Services

## **BROKER AGREEMENT**

THIS BROKER AGREEMENT ("Agreement") is made as of \_\_\_\_\_, 2016 by and between CSI FACTORING LLC, a Colorado limited liability company located at 12000 E. 47<sup>th</sup> Avenue, Suite 402, Denver, Colorado 80239 ("Factor") and \_\_\_\_\_, a \_\_\_\_\_ company located at \_\_\_\_\_ ("Broker").

- 1. Term.** This Agreement will become effective on the date stated above and will continue in effect until terminated as provided hereinafter.
- 2. Service.** Factor hereby authorizes and Broker agrees to solicit new prospective commercial clients (which have not been previously solicited by or on behalf of Factor) for the purpose of becoming new clients of Factor, and to provide completed application and document package for Factor's evaluation and possible acceptance in accordance with Factor's instructions to Broker and the terms and provisions of this Agreement.
- 3. Compensation.** Factor agrees to compensate Broker for its services on a commission basis only. The commission to be paid to Broker shall be an amount up to 10.0% of net fees earned by Factor on paid invoices previously purchased by Factor, from a client of Factor, as a direct result of the efforts of Broker. The commission shall be calculated monthly and payable on or about the 15<sup>th</sup> day of the month following the month in which the commission was calculated. The Factor shall pay commissions on commercial clients referred by the Broker who have not previously submitted a written application to Factor and/or have not previously factored accounts with Factor. Commissions shall be payable to Broker so long as such client on which commissions are earned by Broker remains a client of Factor. In no event shall such commissions continue to be paid to Broker upon the death of Broker if individual, or upon the dissolution of Broker if a business entity, or upon this Agreement being terminated as a result of a breach of any of the terms or conditions herein by Broker, whichever shall occur first.
- 4. Relationship.** The parties agree that the relationship of Broker to Factor shall be that of an independent contractor. The parties hereto agree that Broker is an independent contractor whose time, methods and means (which shall be lawful, ethical and appropriate) are not subject to the direction or control of Factor. Further, Broker agrees that it will not represent itself as an employee, partner or co-venture with Factor. Broker hereby represents and warrants to Factor that Broker maintains its own independent office with all expenses for same incurred by, paid by and as the sole responsibility of Broker. All parties recognize that this Agreement is non-exclusive. Broker agrees with Factor that this arrangement between Broker and Factor is not exclusive. It is understood that Broker will continue to be principally involved in Broker's own business opportunities and will devote only part of Broker's time to the matters contemplated in this Agreement. At the same time, Factor will be free to engage other brokers if it should so desire. Factor and Broker agree that Broker does not have the right or authority to bind the Factor in any manner whatsoever. Further, Broker does not have the right or authority to commit Factor to any indebtedness or any obligation of any kind, nature or description. Broker, its employees, Broker's agents and their employees shall not be considered employees of Factor for any purpose.
- 5. Broker Obligations.** Broker will treat all correspondence from Factor including Factors contracts and documentation with clients as confidential and will not disclose it to any third party. Broker agrees that at all times while soliciting such business entities for factoring business on behalf of Factor it will conduct itself in a professional manner. Broker hereby represents and warrants to Factor that Broker accepts exclusive liability for any payroll taxes, income tax withholdings or contributions imposed by the Federal Social Security Act or any state law with respect to Broker's commissions paid pursuant to this Agreement. If required by the laws of the state in which Broker is located and/or conducting business, Broker agrees to maintain a policy of insurance to cover any negligent acts committed by Broker, or Broker's employees or agents during the performance of any duties under this Agreement, Broker further agrees to hold Factor, free and harmless from any and all claims arising from any such negligent act or omission.
- 6. Factor Obligations.** Factor, in its sole discretion, agrees to make available to Broker information pertaining to the various financial services offered by Factor that in the opinion of Factor, is necessary for Broker to properly solicit new business entities for factoring services on behalf of Factor. Broker agrees with Factor that the acceptability of any business entity solicited by Broker on behalf of the Factor shall be in the sole discretion of Factor and any factoring arrangement entered into between Factor and any such entity shall be on

terms and conditions acceptable to Factor in its sole and absolute discretion. Factor and Broker agree that whenever Factor, in its sole discretion, deems any client solicited by Broker pursuant to this Agreement to be in default, liquidation or otherwise in unsatisfactory financial condition, Factor may apply all collections received or to be received pursuant to the factoring agreement entered into with any such client (as same may have been modified, amended or extended from time to time) to the repayment of principal. The payment of commission for such account shall be deferred until such time as Factor, in its sole discretion, no longer deems such application to principal necessary. Further, Broker agrees that it shall not be entitled to any commissions with respect to any income which may be derived from delinquent interest or extension and related charges or from services provided to client by Factor. No delay or failure by Factor to exercise any rights it may have under this Agreement shall constitute a waiver of that or any other right it may have, unless otherwise expressly provided for herein.

- 7. **Assignment.** Broker's role under this Agreement may not be assigned or transferred to any other person, firm or corporation without the prior written consent of Factor. This Agreement is not assignable by Broker and does not inure to the benefits of its respective heirs and assigns.
- 8. **Termination.** Notwithstanding anything herein to the contrary, either party may terminate this Agreement at any time by giving written notice of termination to the other party, but such termination shall not effect any of the provisions of paragraph 3 herein with reference to commissions due to Broker.
- 9. **Entire Agreement.** This Agreement shall be deemed to be a contract embodying the full terms of the agreement between the parties hereunder and can only be modified by a written instrument signed by the parties hereto. This instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement.
- 10. **Schedules.** Broker and Factor, will execute Schedules (governed by this Agreement) to evidence their agreement on specific Clients referred by Broker to Factor. Such Schedules will appear substantially similar to the Schedule attached hereto. Such Schedules will memorialize the terms of commission, account exclusivity, etc. The Schedule(s) will serve as Broker's proof (or receipt) of Factor's obligation to commission Broker as defined in this Agreement for specifically referred Clients. Broker agrees that to perfect its interest in a commission stream for a referred Client, it must possess a validly executed Schedule from Factor.
- 11. **Venue.** This Agreement shall be governed and construed in accordance with the laws of the state of Colorado. For any litigation relating to or arising from this Agreement, the parties hereto submit to the exclusive jurisdiction of the federal and state courts in Denver County, Colorado, waiving any claim that the same is an inconvenient forum. The prevailing party in any such litigation shall be entitled to recover its expenses (including court costs and the reasonable fees and expenses of its legal counsel), both at the trial and appellate levels relating to such litigation. IN CONNECTION WITH ANY SUCH LITIGATION THE PARTIES HEREBY KNOWINGLY AND IRREVOCABLY WAIVE TRIAL BY JURY.

IN WITNESS WHEREOF, the Parties have executed this agreement on the day and year first above written.

**FACTOR:**

**CSI FACTORING LLC**

By: \_\_\_\_\_  
Christopher A. Smith, President & CEO

**BROKER:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_