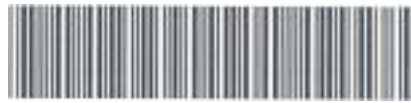




(Rev. 8.03)

Pre-Paid Legal Services®, Inc., and subsidiaries Associate Agreement

PPD Corporate Offices:
LISTED One Pre-Paid Way • Ada, OK 74820
NYSE www.prepaidlegal.com



Office Use Only	
\$ _____	L <u>1</u>
W/mem <input type="checkbox"/>	D _____
W/Lic <input type="checkbox"/>	

Personal Information

- Fill in EITHER the Individual SSN OR the Federal Tax I.D. No. for Corporations.
- Income will be reported to the Social Security Number you list below.
- The SSN must match the name listed.

Applicant's Assigned Associate No. _____
[Available through IVR at (800) 699-9004]

Applicant's Social Security No. _____
[Use for Individuals]

Federal Tax I.D. No. _____
[Use for Corporations]

If you are operating under a company name, print it here: _____

Applicant's Last Name _____

Applicant's First Name _____

Spouse Name _____
Last First M.I.

Mailing Address _____

Apt. No. _____ Ste. No. _____

City _____ State _____ Zip + 4 _____

Shipping Address _____

NOTE: SUPPLIES WILL NOT BE SENT TO P.O. BOXES!

City _____ State _____ Zip + 4 _____

Today's Date _____ / _____ / 200____
Month Day

Applicant's Date of Birth _____ / _____ / 19____
Month Day

Home Phone () _____

Business Phone () _____

Fax Number () _____

Email Address _____

RECEIVE IMPORTANT CORPORATE NEWS!

Intro Kit Issued by _____
Name Associate Number

- I have had explained to me the Pre-Paid Legal Services®, Inc. (PPLSI), membership and compensation plan and understand the benefits of both.
- I have read the company policies and procedures on the reverse of this form and been given a copy and agree to abide by them.
- If paying by check, I agree that PPLSI may convert my check into an electronic debit to be drawn on my account for the face amount shown on the check I've provided.
- By signing this form, I certify that I accept the placement of my Associate Agreement under the sponsoring Associate.
- I understand this agreement is subject to approval by a duly authorized officer/ representative of PPLSI.

Under penalties of perjury, I certify that:

- (1) the number shown on this form is my correct taxpayer identification number and
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

NOTE: You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Applicant's Pre-Paid Legal membership number: _____

The following questions MUST be answered, if applicable, or the application will be returned:

1. Have you ever held a professional license (i.e. an insurance license) in any state which was suspended or revoked? Yes No
 2. Have you ever been convicted of a felony? Yes No
 3. Has anyone who might write business under this Associate Agreement ever been convicted of a felony? Yes No Not applicable
- If you answered Yes on any of these questions, please send documents concerning the matter. Having a felony would not preclude your acceptance as an Associate.*

Signature of Applicant X _____

Sponsoring Associate

(Associate under whom the new Associate is being placed or is signing under)

By signing this form, I certify that I understand I am responsible for working with the new Associate listed on this Associate Agreement.

X _____

Assoc.# _____ Phone _____

Placing Associate:

By signing this form, I certify that I understand I personally recruited this new Associate and placed him or her in my organization under the Sponsor listed above.

X _____

Assoc.# _____ Phone _____

Payment Information

- Fast Start to Success Entry Fee \$249.00
OR Associate Agreement Entry Fee 65.00

TOTAL TO PPLSI: \$ _____

(Note: The \$249 fee includes the cost for the Fast Start training course. This fee is non-refundable after you have attended the training.)

- PPL / CDLP License Application Fee
Include if required by your state. Must be a separate check.
Completed license application must accompany fee.

TOTAL LICENSE FEES: \$ _____

Paid by: MONEY ORDER CHECK VISA MASTERCARD DISCOVER AMEX

Your Credit Card Number _____

Expiration date: ____ / ____ Amount to be charged: \$ _____

Cardholder's signature: X _____

Choose ONE of the following methods by which you wish to receive commissions for memberships written under this Associate Agreement:

- 1-Year Earnings Plan OR 3-Year Earnings Plan

The advance amount you receive is the same under both options, but your earnings and chargeback amounts will differ between the two. For details on compensation, please see a complete Pre-Paid Legal Associate Compensation Plan, available through Marketing Services at (580) 436-7424. If you do **not** select one of the compensation methods listed, you will automatically be paid on the 1-Year Earnings Plan for memberships written under this Agreement.

- Yes, I want to be paid by Direct Deposit!

To be paid by direct deposit, you must include a voided check from the account into which the commissions are to be deposited UNLESS you are paying your Associate Agreement Entry Fee by check from the same account into which you want your commissions directly deposited.

Bank Name _____ Checking

Account Number _____ Savings

Transit Number _____



Policies & Procedures

Guidelines for Conduct: We at Pre-Paid Legal Services®, Inc. (PPLSI), 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 a certain amount of dignity, always conscious of the reputation and integrity of PPLSI and its Marketing Associates.

1. An Associate is an independent contractor and does not have a franchise, distributorship or other exclusive right to sell arrangement with PPLSI. PPLSI reserves the right to accept or reject any Associate Agreement in its sole discretion. An Associate is not an employee for federal tax purposes or any other purposes. An Associate is neither an agent, partner, nor involved in a joint venture with PPLSI. The Associate will be responsible for all costs or liabilities incurred by the Associate in the sale and/or distribution of all PPLSI products/services. The Associate shall not enter into any agreements or make any purchases in the name of, or on behalf of, PPLSI.

2. An Associate at his/her own expense (if any) shall be responsible for the filing of any and all reports required by local law or public authority with respect to the sale of any products/services marketed by PPLSI and shall abide by any and all federal, state, county, and municipal laws, rules, regulations, and ordinances with respect to all sales. The Associate is responsible for providing PPLSI his/her Social Security number or Federal Tax Identification number for tax reporting purposes.

3. An Associate does not have the authority to waive, change, or modify a PPLSI product or service in any way. Furthermore, no modification of any service is binding upon PPLSI unless authorized in writing at the corporate offices of PPLSI by an authorized officer of the Home Office.

4. Regarding advertising:
(a) Only advertising and promotional material that is pre-printed, pre-approved, and properly licensed by PPLSI may be purchased or used in the promotion or sale of PPLSI products/services. An Associate agrees to pay for all supplies and marketing materials needed. Supplies should be obtained directly from PPLSI. If an Associate wishes to return supplies and obtain a refund, he/she must return the supplies in usable condition and request a refund within 15 days of the purchase date. If an Associate wishes to exchange a supply item for another, he/she must return the item in usable condition and request an exchange within 30 days of the purchase date. Obsolete material will not be eligible for refund or exchange.
(b) An Associate may not contact prospects by using auto dialers, unsolicited telemarketing, unsolicited advertisements to fax machines and/or any other method prohibited by applicable federal or state law. In addition, an Associate initiating the transmission of unsolicited commercial electronic mail (spam), agrees to comply with all PPLSI policies regarding such advertising, as well as to applicable state and federal laws governing such transmissions.
(c) Any Associate sponsored website shall comply with these policies and any other policies of PPLSI relating to Associate websites.

5. There are no territory exclusives. Any Associate may sell products/services in any state in which PPLSI is authorized to do business, except in those states where an insurance or other license or appointment is required unless the Associate meets those requirements. However, an Associate may recruit other Associates in any state in which PPLSI is authorized to do business, provided the prospective Associate is properly licensed in that State if so required for the sale of products/services.

6. The Associate and the Associate's spouse will normally be regarded as one Associate. However, a spouse may complete a separate Agreement (and submit the necessary fee), provided the Agreement is sponsored by the same person or entity. Persons must be 18 years of age or older to execute an Associate Agreement.

7. The accepted practice is for a new Associate to be sponsored by the first person who contacted him/her regarding a particular PPLSI product/service. PPLSI will continue to support this practice. However, the relationship as to who sponsored the new Associate will be determined by the first completed Associate Agreement processed by PPLSI for that particular product/service.

8. The identity of an Associate's downline is confidential, proprietary information that belongs to PPLSI. The Associate may not disclose the identity of the downline to third parties and may not use the information for any purpose other than promoting PPLSI during or after his or her relationship with PPLSI. In addition, the Associate shall not disclose to any person other than PPLSI any non-public information concerning members he/she acquires in connection with processing of membership applications.

9. A change in the relationship between sponsor and Associate may be made by an active Associate filing a written resignation with the PPLSI product/service and remaining inactive in the product/service for the specified time frame. After that time, the Associate may be re-sponsored by a different person or entity by paying the appropriate fee. *Resignation time frames range from six months to one year. Any sponsor change will result in the Associate losing his/her current level in the marketing plan and any downlines in place.*

10. In the event of the death of an Associate who is a party to this agreement solely in his/her individual name, all commissions due the Associate will be paid according to his/her last will and testament as admitted to probate or, if there is no will or other instrument providing otherwise, the rights of the Associate under this agreement shall be deemed to be owned (i) if the Associate has a spouse, as joint tenants with rights of survivorship with the spouse; or (ii) if the Associate does not have a spouse, as may be provided by the applicable law of descent and distribution. If the Associate's spouse succeeds to the business and has been actively participating in the business at the time of death, the spouse will have the option to continue in the same role as the deceased Associate. In any case covered by this paragraph 10, any outstanding debit balance of the deceased Associate at the time of death will be charged back against earned commissions, including renewals.

11. An Associate may wish to sell his/her organization to another Associate. However, an Associate may not sell his/her organization in the first 12 months he/she is an Associate. After the first 12 months, the sale of an organization is permissible provided that a) PPLSI is notified of the sale and agrees in writing to the sale and to the effective date of the sale, b) PPLSI is provided a new tax identification number to which future income is reported, c) the appropriate fee is paid, and d) the selling and purchasing Associates comply with any other PPLSI policies relating to sales. Policies relating to sales are available from the Home Office of PPLSI.

12. An Associate Agreement with PPLSI may be terminated as follows:
(a) At any time upon written notice by the Associate;
(b) By PPLSI with thirty (30) days written notice to the Associate if the level of persistency of the Associate's business consistently remains below a level considered by PPLSI to be acceptable;
(c) Immediately by PPLSI for actions or statements by an Associate which PPLSI, in its sole discretion, determines to be contrary to its best interests, including, without limitation, if an Associate: violates the terms of the Associate Agreement or these Policies and Procedures as in effect from time to time, misrepresents the company's name, violates any other PPLSI policy, solicits memberships by using the name of the Provider Attorney firm, makes product/service claims or earnings claims contrary to PPLSI literature, reveals any PPLSI trade secrets, including without limitation names of associates, members or corporate accounts; or
(d) By PPLSI, when an Associate fails to meet the continuing qualification requirements outlined in #15 below.

An Associate who terminates his/her Associate Agreement or who is terminated by PPLSI will, effective on the date of termination, no longer be entitled to any bonuses or commissions, including renewals, advanced or earned, personal or downline. Associate fees will not be refundable unless the Associate Agreement is terminated by the Associate within the first 30 days after the effective date, any marketing materials or supplies are returned in usable condition and the Associate has not sold any memberships or recruited any other associates.

13. Advance commissions for sales produced by the Associate or in the Associate's downline shall be paid only when sales of PPLSI products/services have occurred, and shall be earned only as fees on PPLSI products/services are received by PPLSI. PPLSI reserves the right to change commission advance rates, adjust advances for membership cancellations, pay commissions on an as-earned basis or to place commissions on hold in its sole discretion. Any sums advanced to the Associate shall create a debit balance which will be a loan to the Associate from PPLSI. This balance will normally be repaid by withholding earned commissions, including renewals, but the Associate is ultimately liable for repayment upon demand by PPLSI. An Associate may request commissions be paid on less than a 100% advance basis. Advance commissions are made in connection with the business of selling PPLSI products or services and the Associate agrees that they are not for the Associate's personal, family or household purposes.

14. Any and all Associate accounts, including joint accounts, shall be considered as one account for the purpose of charge backs against debit balances.

15. So long as the Associate Agreement is in effect, an Associate will continue to receive commissions on a product/service line only so long as he/she produces at least three personal sales in the product/service line each quarter of the calendar year or maintains a personal membership. After qualifying for forty (40) quarters through the personal sales criteria, the Associate will be qualified in that product/service until the Associate Agreement is terminated. An Associate is not required to maintain a personal membership but may do so if desired for purposes of this section.

16. Group accounts are the property of PPLSI and may be assigned to another Associate if not serviced properly. If an Associate's group account is reassigned, he or she will continue to earn commissions on the members he or she enrolled as long as the members are active and his/her Associate Agreement remains in effect. If an Associate calls on an existing account that is "registered" to another Associate, or fails to bow out gracefully when his or her account is reassigned, that Associate can be terminated immediately. Failure to meet any of the following criteria will be considered grounds for reassignment:
(a) Each group assigned to the Associate must be serviced at least once each year and a customer service report completed and returned to the Home Office.
(b) New memberships must be written in the group each year unless 60% or more of the eligible employees are enrolled in a PPLSI membership plan.
(c) Less than 40% of eligible employees are enrolled in a PPLSI membership plan.

Reassignment may also be made for any other reasons which, in PPLSI's sole discretion, constitute inadequate servicing of a group.

17. Advance and earned commission percentages on groups with more than 300 members will be determined on an individual basis by PPLSI.
18. PPLSI reserves the right at any time to no longer accept new membership sales or associate recruitments from any Associate, and to adjust or change any marketing plan and incentive program and at any time without prior notice. PPLSI may add, change or terminate any services offered by PPLSI to any or all Associates, at any time, in whole or in part, including but not limited to supplies, communications, newsletters, e-services, voice response or otherwise.

19. No PPLSI products or services may be sold or offered in combination with any other product or service without, prior written approval from an authorized Home Office officer of PPLSI. An Associate may not sell or offer to sell any legal service plan or product other than PPLSI products or services without prior approval from an authorized officer at the Home Office.

20. An Associate may not proselytize, recruit or solicit in any manner any PPLSI Associate, including without limitation his or her first line, into any other company or organization during the term of the Associate Agreement and for 2 years after the date of any termination hereof.

21. The failure of PPLSI to insist upon strict compliance with any of the Policies and Procedures herein shall not be deemed to be a continuous waiver in the event of any future breach or waiver of the Policies and Procedures. In the event of any conflict or inconsistency between these Policies and Procedures and any other marketing materials of PPLSI, including the Success Guide, these Policies and Procedures shall control.

22. In the event that a provision of the Associate Agreement or these Policies and Procedures is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable, and the balance of the Agreement and Policies and Procedures will remain in full force and effect.

23. The Associate Agreement and Policies and Procedures will be governed by and construed in accordance with the laws of the State of Oklahoma. The Associate Agreement and Policies and Procedures constitute the entire agreement between the Associate and PPLSI and no amendment may be made, either written or oral, without the signature of an authorized Home Office officer of PPLSI, provided that these Policies and Procedures may be amended from time to time by PPLSI by publication in a means reasonably available to Associates generally, including by publication in periodic communications to Associates or on the PPLSI website. All disputes and claims relating to PPLSI, the Associate Agreement, these Policies and Procedures and any other PPLSI policies, products and services, the rights and obligations of an Associate and PPLSI, or any other claims or causes of action between the Associate or PPLSI or any of its officers, directors, employees or affiliates, whether in tort or contract, shall be settled totally and finally by arbitration in Oklahoma City, Oklahoma, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including the optional rules for emergency measures of protection. If any Associate files a claim or counterclaim against PPLSI or any of its officers, directors, employees or affiliates in any such arbitration, an Associate shall do so only on an individual basis and not with any other Associate or as a part of a class action. Judgment on any award may be entered in the Oklahoma County District Court or in the United States District Court for the Western District of Oklahoma. The Associate consents to the jurisdiction and venue of such arbitration and such courts.