



## ESI Teaming Application

Equity Services, Inc. (ESI) understands that some Registered Representatives desire to take a team approach with their clients and their practice. Whether it's to reach new markets or add new skill sets, facilitate a succession planning agreement, or develop the next generation of advisors, ESI's Teaming Program can offer teams the support and recognition to achieve their objectives.

Subject to approval by both ESI and the representatives' Branch Office Supervisor (BOS), team members are eligible to apply for Bona Fide Team status, defined as two or more ESI Registered Representatives/Investment Adviser Representatives, sharing some amount of compensation on at least 25% of their clients.

Participation in ESI's Teaming Program requires not only the agreement of all team members, but also the approval of your BOS and ESI, even if the eligibility requirements are met.

Factors to be considered include but are not limited to:



**Joint work**  
performed by team  
members



**Sharing expenses**  
by team members



**Unique but  
complimentary**  
skill sets possessed  
by team members



**Anticipated  
succession planning**  
between team  
members

You should discuss these issues with ESI and your BOS before you apply and complete the application with appropriate payout information.

Equity Services, Inc., member FINRA/SIPC, is a Broker/Dealer and Registered Investment Adviser. In CO, MO, NH and WI, Equity Services, Inc. operates as Vermont Equity Services, Inc. Equity Services Inc.

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National Life Group® (NLG) is a trade name of National Life Insurance Company, Montpelier, VT and its affiliates.

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Cat No 106663(0423)

# Team Profile

	Broker/Dealer (BD) Payout %:	Investment Advisor (IA) Payout %:
Team Member 1:		
Team Member 2:	BD Payout %:	IA Payout %:
Team Member 3:	BD Payout %:	IA Payout %:
Team Member 4:	BD Payout %:	IA Payout %:

Is there a Team DBA?  Do you have a Personal Service Entity (PSE)?   
If so, what's its name? \_\_\_\_\_

Number of ESI clients where some level of compensation is split across team members today: \_\_\_\_\_

In a few words, describe the purpose of the team. If applicable, tell us why a team approach will better serve your clients; include information that addresses the factors outlined on the first page.

By signing this application, if approved by both the General Agent and ESI, each team member listed below is agreeing to the payout percentage listed above, and to be bound by the terms of the attached *ESI Teaming Agreement*.

Signature Team Member 1: \_\_\_\_\_ Date: \_\_\_\_\_

Signature Team Member 2: \_\_\_\_\_ Date: \_\_\_\_\_

Signature Team Member 3: \_\_\_\_\_ Date: \_\_\_\_\_

Signature Team Member 4: \_\_\_\_\_ Date: \_\_\_\_\_

By approving this application, the BOS listed below acknowledges that each Team Member listed above is agreeing to the payout percentage listed above, and to be bound by the attached *ESI Teaming Agreement*.

Approval: \_\_\_\_\_

Branch Office Supervisor  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

ESI Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## ESI Teaming Agreement

Supporting Registered Representative/Advisor Teams presents a growth opportunity for ESI and NLG agencies. In many instances, a successful team can serve more clients, more effectively and efficiently, than an individual producer. Teams can also reach new client market segments and bring deeper expertise to your agency, along with the potential for increasing revenue by serving more of the client's needs. When used for succession planning or developing new representatives, Teams can offer a means to support representative and client retention, as well as creating a destination for recruits interested in this level of support.

One notable obstacle in the development of Teams has been compensation differences between representatives. Under our standard grid rates, representatives could be discouraged from teaming if business written by one team member would result in a lower payout. To alleviate this concern, ESI may consider aggregate Team production levels, and increase producer compensation for some members of a Bona Fide Team to a higher payout than what they would be eligible for based upon their individual production.

By submitting or approving the ESI Teaming Application, each Team Member and BOS acknowledges the following:

- The payout percentages listed in the ESI Teaming Application, if approved by both BOS and ESI, will be the compensation paid to each Team Member, and it will serve as the Schedule A referenced in each Team Member's Registered Representative Contract (RR Contract), and/or the EFA Compensation Agreement referenced in their ESI Financial Advisors IAR Contract (IAR Contract). Otherwise, each Team Member's RR Contract and/or IAR Contract shall remain in full force and effect.
- The Payout Percentages listed above may be amended in ESI's sole discretion, in the same way that terms of compensation may be amended in the RR Contract and the IAR Contract.
- ESI, in its sole discretion, may revoke its approval of the Teaming Application at any time, in which case the Teaming Agreement will terminate. In addition, any Team Member, as well as any Team Member's BOS, may terminate the Teaming Agreement upon providing 30 days written notice to ESI. In addition, in the event that any Team Member's RR Contract and/or IAR Contract terminates, the Teaming Agreement shall immediately terminate.
- If the Teaming Agreement is terminated, and if a Team Member continues to associate with ESI, their payouts on any future business will immediately revert to the payouts they were paid immediately prior to the approval of the Teaming Application. If a Team Member had no prior payouts, ESI will use its best efforts to select an appropriate payout based upon the individual Team Member's anticipated annual production.
- If the Teaming Agreement is terminated, ESI agrees to work in good faith with all Team Members who remain associated with ESI to reassign accounts previously serviced by the Team in an equitable manner. Notwithstanding the foregoing, all Team Members acknowledge that ESI, in its sole discretion, may remove any and/or all Team Members from the servicing of any account, and assign any account previously serviced by the Team to any Representative associated with ESI.
- If any or all Team Members participate in a PSE, they acknowledge that IA Payout Percentages provided above (and if subsequently permitted and desired by the PSE, BD Payout percentages) will be paid to the PSE, and their individual payment from the PSE may differ from the payout percentages specified above.
- Team Member agrees to indemnify ESI and hold it harmless from any loss, cost or liability, including attorney's fees, which result from or are in any way connected to the Teaming Agreement, including without limitation, disputes over compensation, the assignment of accounts, and/or the dissolution of any Team.