

Master Member Agreement

THIS Master Member Agreement (the “Agreement”) dated [REDACTED] is between Tailored Solutions LLC, a company formed under the laws Connecticut with its address at 48 Knapp Street Monroe, CT 06468 (the “Company”) and [REDACTED], with [an] Address at [REDACTED]

(“Member”) (the Company and Member may be referred to as the “Parties” or individually as a “Party”).

WHEREAS, the Company and Member are each in the business of providing staffing solutions for businesses and individuals seeking career opportunities;

WHEREAS, the Company operates or plans to operate a network comprised of independent contractor Members presently doing business as “Tailored Solutions LLC” (the “Organization”) (Company and Organization may be used interchangeably in this Agreement with respect to the rights or obligations of the Company operating the Organization) and to facilitate those Members working cooperatively to increase business/recruiting opportunities; and

WHEREAS, the Company desires to add Member to the Organization as an independent contractor, and Member desires to join the Organization as an independent contractor and to perform the services of (a) recruiting candidates for placement and (b) recruiting additional members to the Organization and/or (c) signing up new client relationships.

NOW THEREFORE, in consideration of the provisions and the mutual covenants hereinafter, the Parties hereto agree with each other as follows:

1. DEFINITIONS

- a. “Candidates” are defined as individuals who are seeking a career opportunity or contract position through the Company.
- b. “Clients” are businesses and/or individuals that enlist the services of the Company.
- c. “Contract Placements” are individuals who are placed as contractors to Clients, using the Company’s back office services.
- d. “Permanent Placements” are individuals who are placed as permanent employees with Clients, using the Company’s services.
- e. “Guiding Principles” means all publications issued by the Company setting forth its corporate visions, and shall include, but shall not necessarily be limited to, the Rules of Engagement, Code of Ethics and Guiding Principles of Ethics, as those may be amended from time to time. All such Guiding Principles are incorporated herein by reference. These publications provide the standards and guiding principles by which Members shall conduct themselves. Member understands that these Guiding Principles may be updated from time-to-time and Member is responsible for obtaining and being thoroughly familiar with the most current version and complying with all current versions.
- f. “CRM” is the name of the computer software based applicant tracking system used by the Company which contains, among other things, Client and Candidate lists.
- g. “Pay Periods” are on a monthly basis upon which payments are made. There are usually TWELVE (12) Pay Periods per year.

Initial [REDACTED]

- h. "Processing Schedule" is the schedule of monthly Pay Periods issued by the Company.
- i. "Representation" is Company's formal recognition that Member is able to represent Candidates, Clients, or both.
- j. "Timesheets" are time tracking documents used by Contract Placements or Permanent Placements, as the case may be, to track working time.
- k. "Timesheet Approvals" are completed by the individual appointed by the Company to approve Timesheets. This person is usually the direct supervisor or hiring manager of the Contract Placement or the Permanent Placement, as the case may be.
- l. "Confidential Information" means information which is valuable to the Company and/or Organization and not generally known to the public, and includes, but is not limited to: business, strategic and marketing plans and forecasts, and the past results of such plans and forecasts; business, pricing and management/operational methods; handbooks, operations manuals and best practices memoranda; finances, strategies, systems, research, surveys, plans, reports, recommendations and conclusions; names of, arrangements with, or other information relating to, the Company's or Organization's customers/clients, suppliers, financiers, owners or operators, representatives and other persons who have business relationships with the Company or Organization or who are prospects for business relationships with the Company or Organization; technical information, work product and know-how; cost, operating, and other management information systems, and other software and programming; the name of any company or business, any part of which is or at any time was a candidate for potential acquisition by the Company, together with all analyses and other information which the Company or Organization has generated, compiled or otherwise obtained with respect to such candidate, business or potential acquisition, or with respect to the potential effect of such acquisition on the Company's business, assets, financial results or prospects; all confidential technical and commercial information, reports, specifications, quotations, formulae, computer records, Client and Candidate lists, price schedules, customer lists, customers, Candidate records, Client records and the like; and the Company's and/or Organization's trade secrets (note that some of the information listed above may also be a trade secret).
- m. Other terms may be defined below.

2. PAYMENT

- a. A Member must be granted either Candidate or Client Representation, or both, to qualify to receive any portion of payment derived from a client. Granting of Representation shall be confirmed by a stamp in both the Client's and Candidate's record cards in the Company's CRM.
- b. In the event of a conflict respecting Representation or payment between Member and any other Member or agencies that have been granted Representation by the Company, the Company shall act as the final arbiter of how and when payments are distributed, to whom and in what proportions and amounts, at the Company's sole discretion.
- c. Payments will be made to Member consistent with the Pay Periods included in the Addendum. Delayed or late invoice approvals may result in, at least, a similar delay in payments to Member.
- d. Direct Hire payment: Company will make payments on Direct Hire (Permanent Placements) within 5 - 10 business days of all guarantees being fulfilled and funds clearing in the Company bank account.

Initial

e. Payments relating to Permanent Placements will be paid to Member once the Company receives full payment of the agreed upon placement fee and all Guarantee periods are fulfilled.

3. CONTRACT PLACEMENTS

- a. Contract payments are calculated on Net Margin. Net Margin is the Gross Fee(s) received minus all costs associated with Contractor Pay Rate, State and Federal Taxes, Workman's comp, back office fees, etc). Total Burden ranges typically between 25-30%.

4. OBLIGATIONS OF MEMBER

a. Member shall at its expense supply all equipment or tools or instruments needed to perform the services under this Agreement, including but not be limited to office furniture equipment including phone and internet, and office facilities.

b. Member will keep current the applicant tracking system (ATS) also referred to as CRM to track, monitor, and collaborate between members.

c. Member shall pay all expenses necessary to perform the services under this Agreement, including but not limited to travel (public transit, parking, flight and accommodations, etc.), meals and entertainment, Member advertising, insurance, associations and/or membership fees.

d. Member will be responsible for the maintenance or loss of its equipment. The Company shall not be responsible for any such damage or loss.

e. Member shall invoice the Company within the Pay Periods as set out in the Processing Schedule, less any Contract Processing Fee, Permanent Processing Fee, plus applicable taxes. The Company shall have the right to withhold payment from Member until the applicable invoices have been submitted.

5. INDEPENDENT STATUS

a. Member is, and at all times shall be, an independent contractor to the Company during performance of the Services, and at no time shall be considered an agent, servant, employee or partner of the Company. Member acknowledges that it is an independent business entity from the Company and is responsible for any taxes or remittances that may be payable as a result of the performance of the Services. No sales, payroll or employment taxes of any kind (including, but not limited to, FICA, FUTA, federal or state personal income taxes, state disability insurance taxes, and state unemployment taxes) shall be withheld or paid with respect to any payments to Member.

b. The Company and Member agree that Member is fully and solely responsible for filing appropriate tax returns, sales tax payments, social security contributions and any other relevant payments to government authorities.

c. Member understands and agrees that this is not a contract of employment, whether term, at-will, or otherwise. Members shall have no claim or right to Company benefits or employee considerations (including but not limited to profit sharing, pension, shares or bonuses). No workers' compensation insurance shall be obtained by the Company on account of Member or any of Member's Subcontractors. Instead, since Member is an independent contractor, Member hereby affirms Member has obtained all workers' compensation insurance required by law. Member further affirms that Member has complied with all international, federal, state and local laws regarding visas, business permits and licenses that may be required to complete the work to be performed under this Agreement.

Initial

d. The Parties recognize and agree that Member is and shall be free from direction and control in the performance of the Services. Member shall be exclusively responsible for the location where Services are performed, and that the Company will not provide the location for the performance of those Services. Member warrants and represents that it is customarily engaged in an independently established trade, occupation, profession or business of the same nature as the Service being provided pursuant to this Agreement.

6. OBLIGATIONS OF THE COMPANY

- a. The Company will use its own resources to communicate with Clients and to track, monitor and collect receivables.
- b. The Company will maintain the applicant tracking system (ATS) also referred to as CRM to track, monitor, and collaborate between members.
- c. The Company will make continued efforts to grow the Membership community.
- d. The Company will monitor and enforce all members to use the ATS/CRM system to track candidate movement.
- e. The Company will monitor members and enforce the “rules of engagement” set forth in the guiding principles agreement.
- f. The Company will support all the members billing/invoicing, and collection services. Member is expected to assist the Company with respect to the collection process if/when required.
- g. The Company will maintain, and keep current a company website.
- h. The Company will provide member with up to 3 email addresses for business use.
- i. The Company will at the Members request and additional cost order business cards, shirts, or other Company branded material. Member will be responsible for payment to the Company prior to an order being placed. The Company will provide a cost sheet of these items upon Member request.
- j. The Company will provide contractor payroll funding services and back office services. This may be accomplished using the Companies internal staff or through third party vendor(s).

7. TERMINATION OF THIS AGREEMENT

- a. The Company, in its sole discretion, may terminate this Agreement in writing with **no notice** if Member is:
 - i. in breach of by the Company’s Guiding Principles or violates any of its obligations under this Agreement or any other contract with the Company;
 - ii. performing services similar to the Services, but on behalf of Clients, Candidates, or to any other business(es) competing with the business of the Company, or otherwise outside of this Agreement; or
 - iii. performing the Services under this Agreement in an illegal or unethical manner.
 - iv. Withholding or non-disclosure of current and future placements both direct hire and contract placements while an active Member of the Company.
- b. Member may terminate this Agreement at any time by providing written notice to the Company through Member Support at membersupport@tsrecruitment.net or via such other means as the Company may establish from time to time.

Initial

c. In the event Member or Company terminates this Agreement, the Company may retain any payment payable to Member to offset against any sums owed by Member to the Company arising out of this, or any other agreement between the Parties; to offset any potential legal costs associated with the termination of member; to offset against any unanticipated costs associated with the termination of member. Any pending deals (contract or direct) that are already in the Company's system (CRM/Back office) will continue until contract completion through the Organization. Payments due from Members placement revenue after termination will be paid to member at the sole discretion of Company.

8. CONFIDENTIALITY

a. Member acknowledges that, during its relationship with the Company, it may receive Confidential Information.

b. Members agrees that access to Confidential Information will, among other things, allow Member to successfully cultivate relationships and develop goodwill with the Company's and other Members Clients, suppliers, finders, brokers, and other persons who may have a business relationship with the Company.

c. Member agrees that, during the period of performing services during the term of this Agreement and for twenty four (24) months subsequent thereto, Member will not disclose to others or make use of, directly or indirectly, any Confidential Information of (i) the Company, (ii) any Client or Candidate, or (iii) others who may have disclosed it to the Company or its other Members which the Company acquired in the course of business under conditions of confidentiality, unless authorized in writing by the Company. If there is any doubt about whether any disclosure or use is for an authorized purpose, Member shall request permission in writing from the Company and abide by the Company's response.

d. Member shall take reasonable security precautions to keep confidential all information deemed confidential and shall not make unauthorized copies of any documents or information. Member further undertakes to notify the Company immediately upon discovery of any unauthorized use or disclosure of confidential material and shall assist the Company in regaining of such material and mitigating the loss to the Company therefrom.

e. Specific Performance; Remedies. Each Party acknowledges and agrees that, because of the sensitive and confidential nature of the Confidential Information, the breach by a Party of the terms of this Agreement with regard to disclosure of Confidential Information may cause the other Party irreparable harm and damage that may not be susceptible to accurate quantification. Therefore, each Party agrees that, in the event of such breach, the other Party shall have the right to seek to exercise all remedies available at law and equity, including, without limitation, specific performance and injunctive relief, and each Party hereby submits to the subject matter jurisdiction of a court granting such relief.

9. INDEMNITY AND LIABILITY

a. Member will indemnify and hold the Company and its respective affiliates and each of their respective shareholders, directors, officers and employees ("Indemnified Parties") harmless from and against any and all claims, demands, losses, costs, damages, suits or proceedings, including all claims for personal injury, death, property damage, consequential, indirect and special loss or damage whatsoever or any other expenses (including attorney's fees) (collectively, the "Claims") which the Indemnified Parties may incur or suffer as a result of or arising out of this Agreement, acts or omissions or breach by Member of any of the terms and conditions of this Agreement.

b. Member's obligations and the Company's rights pursuant to or arising from the provisions of this Agreement shall survive any termination, expiration, variation, modification or alteration of this Agreement.

Initial

c. In no event is the Company liable to Member or any other person or entity for any special, incidental, punitive, indirect or consequential damages, loss of goodwill, work stoppage, data loss, computer failure or malfunction, loss of profit or any and all other commercial damages or loss which may be suffered by Member, and/or Member's affiliates, officers or directors, as a result of this agreement or its termination.

10. NON-DISPARAGEMENT

Both during the term of this Agreement, and after termination, each party hereby covenants and promises (i) not to make any disparaging remarks or statements, orally or in writing, directly or indirectly, and regardless of whether or not such remarks or statements are truthful, nor take any actions, which in any way could disparage the other party or any of the other Indemnified Parties, or which could harm the reputation and/or goodwill of the other party or any of the other Indemnified Parties, and (ii) to refrain from any conduct, activity, or conversation which is intended to, or does, interfere with or disparage the relationships between the party and Clients, suppliers, shareholders, financiers, or others.

11. NON-SOLICITATION

a. If membership is terminated by either party for any reason the Member is prohibited for a period of twenty-four (24) months thereafter date of termination not to make any split placements or conduct any business with any current or past Member as it relates to staffing, recruitment or placing candidates and clients from either.

b. Member is prohibited while an active Member and for a period of twenty-four (24) months to work with any former member of The Company after membership termination unless agreed to in writing by the Company.

c. During the term of this Agreement, and for twenty-four (24) months following termination, Member will not, directly or indirectly (whether as an owner, partner, employee, consultant, broker, contractor or otherwise, and whether personally or through other persons):

i. approve, solicit or retain, or discuss the employment or retention (whether as an employee, independent contractor, consultant or otherwise) of any person who was a Member or an employee of the Company at any time during the time Member was affiliated with the Company;

ii. solicit or encourage any person to leave the Membership or employ of the Company.

d. Since monetary damages will be inadequate and the Company will be irreparably damaged if the provisions of this Agreement are not specifically enforced, the Company shall be entitled to, among other remedies, an injunction restraining any violation of this Agreement (without any bond or other security being required) by Member and/or by any person or entity to whom Member provides or proposes to provide any services in violation of this Agreement.

12. NON-COMPETE

a. Any clients that are signed up and contracted with Tailored Solutions LLC while Member is an Active Member will remain a Tailored Solutions LLC client upon termination of member's Membership with Tailored Solutions LLC. Member agrees not to solicit Client for a period of 12 months after termination of membership with Tailored Solutions LLC. Any documented prior client relationships will be excluded from this clause (14a). List must be signed and dated by both Member and Company.

Initial

13. GENERAL

a. **Entire Agreement.** This Agreement, including all addendums, as well as agreements, Guiding Principles, and documents incorporated herein, contains the entire agreement between Member and the Company regarding the subject matter hereto and, as such, fully supersedes any and all prior agreements or understandings between Member and the Company pertaining to the subject matter addressed in this Agreement. If there is any conflict between this Agreement, and any addendum or any agreement, Guiding Principles, or documents incorporated herein, the more specific provision shall control. Member has carefully read and fully understands all of the provisions of this Agreement. In agreeing to the terms of this Agreement, Member is not relying upon any written or oral promise or representation made to Member by any employee or representative of the Company, other than the promises contained herein. This Agreement may not be amended, superseded, cancelled or terminated other than in writing signed by both Member and the Company or its attorney or other designated representative.

b. **Member Representations.** Member represents and warrants that it does not have any pending or threatened litigation, non-compete or solicitation agreements, or any other agreement or obligation that would prevent or impact Member's entering into this Agreement or accepting or fulfilling Member's obligations hereunder.

c. **No Waiver.** No waiver by the Parties of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. This Agreement is intended, among other things, to supplement the applicable common and/or statutory laws and does not in any way abrogate any of the obligations or duties Member otherwise owes to the Company.

d. **Interpretation.** Unless inconsistent with the context, words signifying any one gender shall include the others; words signifying the singular shall include the plural and vice versa; and words signifying natural persons shall include artificial persons and vice versa.

e. **Severability.** If any section, provision or clause of this Agreement, or any portion thereof, is held void or unenforceable, the remainder of such section, provision or clause, and all other sections, provisions or clauses of this Agreement, shall remain in full force and effect as if the section, provision or clause determined to be void or unenforceable had not been contained herein.

f. **Choice of Law; Forum; Attorneys' Fees.** This Agreement shall be governed by the laws of the State of Connecticut, without regard to its conflict of laws principles. The interpretation and enforcement of the provisions of this Agreement shall be resolved and determined exclusively by the state or federal courts sitting in Connecticut, and such courts are hereby granted exclusive jurisdiction for such purpose. Member hereby acknowledges that, in the performance of the Services, Member will maintain significant contacts with the Company's Clients, offices, other Members, and other business in Connecticut. In the event either Party takes any action to enforce this Agreement, or as a result of a breach of this Agreement, the prevailing party shall be entitled to collect its reasonable attorney's fees and costs. THE COMPANY AND MEMBER HEREBY WAIVE THEIR RESPECTIVE RIGHT(S) TO TRIAL BY JURY.

g. **Assignability.** This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective heirs, legal representatives, successors and permitted assigns. Member may not assign either this Agreement or any of Member's rights, interests or obligations hereunder. Member hereby agrees and acknowledges that the Company may assign any or all of its rights and interest hereunder, including, but not limited to, Member agreements, without the consent of Member, to any person or entity that acquires any of the assets of the Company, or to any affiliate of the Company, or to any entity with which the Company merges or consolidates.

Initial


h. No third-party beneficiaries. Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended, and nothing in this Agreement shall be deemed, to confer on any person or legal entity other than the Parties, their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

i. Captions. All captions in this Agreement are intended solely for the convenience of the Parties and do not affect the meaning or construction of any paragraph.

j. Cumulative Rights. Rights and remedies stated in this Agreement are cumulative and not exclusive of any other right or remedy.

k. Counterparts. The Parties agree that this Agreement may be executed in counterparts, and that copies (digital, electronic or otherwise) or facsimiles of this Agreement shall have the same force and effect for all purposes as the original.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date below.

The Company	Member
Print Name: Dean Heinrich	Print Name: _____
By: 	By: _____
Title: Partner	Title: _____
Dated: 2019	Dated: _____