



*Offered By: FFLGuard LLC*  
*Directed By: The Chiafullo Group, LLC, Attorneys-at-Law*

**OVERVIEW OF  
PROGRAM TERMS & CONDITIONS  
9<sup>th</sup> Amended Version**

**(As amended through April 1, 2018)**

## **OVERVIEW OF PROGRAM TERMS & CONDITIONS**

- The *FFLGuard* program (“the Program”) is a cooperative risk-management, advisory, compliance and legal services program for Federal Firearms Licensees (“FFL” or “FFLs”) offered by a collection of lawyers, subject matter experts, professionals and para-professionals (“Consultants” or “Personnel”) who concentrate solely on firearms law. The Program delivers cost-efficient access to these legal and firearms specialists — providing educational training and rapid response services — with the focus as safeguarding the viability of the client’s FFL through proactive maintenance. The FFL clients participating in the *FFLGuard* Program (“the Participant” or “Participants”) conditionally subscribe – as a collective – to *FFLGuard*’s heightened compliance standards and best practices. All Participants pool their financial and intelligence resources, by agreement, for *FFLGuard* personnel to serve as the “on-call compliance team” and general counsel for all clients.
- A consulting company, *FFLGuard, LLC* (“the Company”), is the hub for all Program related activity, in that it provides the Consultants who assist, consult and represent all Program Participants.
- The Company engages a law firm, *The Chiafullo Group, LLC* (“the Group”), to administer and oversee the Program as its “National Coordinating Counsel” (both counsel, and its office personnel, referred to as “NCC”). The NCC is charged with delivering active legal representation to all Participants (and thus, the attorney-client privilege regarding all information exchanged) pursuant to (i) an executed attorney-client engagement agreement (“the Agreement”) and (ii) the payment of a non-refundable, yearly engagement fee (“the Yearly Fee”). Per Agreement, part of the Yearly Fee is immediately realized by the Group for its oversight role as NCC, and the remainder of the Yearly Fee is escrowed in a “Consultant Services Fund” (“the Fund”) for possible future payment for Program services on behalf of qualifying Participants. Every Participant in the Program also authorizes the Group to use Yearly Fees to pay for, among other things, the administration, marketing, advertising, and promotion of the Program.
- The Consultants act as agents to the Group in order to interpret compliance nuances, provide assessments of ATF regulated premises, and assist in the ultimate rendering of advice and opinion by the Group. The overall direction of the Company is managed by its Executive Director, while a segment of the Company, known as the “Field Operations Group” (“FOG”), is directed by John Renzulli, Esq. and his law firm known as *Renzulli Law Firm, LLP*. All Consultants engaged as part of the Program report directly to *FFLGuard LLC*’s Executive Director, D/FOG and the NCC as a matter of course.

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directed by a law firm, The Chiafullo Group, LLC.***

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- The Program delivers “Basic Services” to all Participants that includes access to the *FFLGuard Law Plus Guidelines* (“the Guidelines”), contact with Consultants *via* telephone/email/website through the legal “HelpDesk,” access to *FFLGuard’s* Clients-Only Website (which serves as a central repository of information for all Participants to access from *FFLGuard* counsel and professionals), periodic legal and compliance-related updates *via* email through “eCommunications” from *FFLGuard* counsel and Consultants, an in-store “virtual site visit” risk-assessment and videoconference time with the NCC, and updates through our Windows ToolBox that include instant alerts when ATF inspectors are on premises at any Participant’s location.
- The Program revolves around the Participants’ compliance with the Guidelines, a two-page “tip sheet” representing a series of helpful hints, legal precedent, professional advice, and proven experience dealing with issues between ATF, anti-gun groups, various entities within the firearms industry, and/or other Participants in the Program. The Guidelines represent business practices that give “a little more” than required by law. Each Guideline is assessed a point value, with a Grand Total of 100 points available, and so long as the Participant meets a 90% threshold of total points, that Participant qualifies for certain legal services (*see ATF Audit Intervention Unit and Civil Litigation Defense Unit, below*) without additional payment of Legal Defense Fees.
- Assuming Participant compliance with the Guidelines, the Fund will pay all reasonable and necessary attorney/Consultant fees to any *FFLGuard*-approved counsel or Consultant in the representation of any Participant (i) during any ATF audit of client’s business and any resulting proceedings, and (ii) for the first fifty (50) hours of any civil lawsuit aimed at scrutinizing any client’s business practices. **Legal services not paid on behalf of Participants by the Fund are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the rendering of such legal services.**
- The Program also provides “Additional Services” which enhance a Participant’s business practices through hands-on, online or on-site training, and similar legal/compliance teaching exercises. **These legal services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the rendering of such legal services.** Guideline points are also afforded to Participants for purchasing Additional Services and applicable towards the 90% Guideline requirement.
- For both Basic and Additional Services, and in the case that a Participant does not qualify for access to the Fund based on Guideline non-compliance, **all *FFLGuard* counsel and Consultants nevertheless bill at a courtesy rate less than their “normal and customary” hourly rates.**

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- When joining the Program, each individual Participant expressly authorizes the Group, without limitation, (i) to utilize the money voluntarily set aside in the Fund to pay for Legal Defense Fees of *any* Participant, subject to the terms and conditions of the Program, including but not limited to compliance with the Guidelines and/or any additional point plan considerations; (ii) to apportion and spend the money in the Fund to administer, market, advertise, and promote the Program and/or pay a third-party administrator to handle the administration, marketing, advertising, and promotion of the Program; (iii) to retain or otherwise compensate like-minded counsel or Consultants to act on any client's behalf as part of the Program, now or in the future, including but not limited to retention of the Group itself; and (iv) to invest, re-invest, encumber, loan or otherwise use the Fund to increase it in value.
- ALL Reimbursable Travel Costs and Non-Covered Costs and Expenses are not covered by the Program. **All Reimbursable Travel Costs and Non-Covered Costs and Expenses are subject to payment of a Retainer – over and above the Yearly Fee – by Participant to the Group in advance of the Group incurring such costs.**

## **PROGRAM HIGHLIGHTS**

*FFLGuard* participation includes the following Basic Services:

1. ***FFLGuard Law Plus Guidelines***- (sometimes referred to as “Guidelines” or “LPGs”) are the Program’s cornerstone, a two-page “tip sheet” representing a series of helpful hints, legal precedent, professional advice, and proven experience dealing with issues between ATF, anti-gun groups, various entities within the firearms industry, and/or other Participants in the Program. The Guidelines represent business practices that give “a little more” than required by law. Each Guideline is assessed a point value, with a Grand Total of 100 points available, and so long as the Participant meets a 90% threshold of total points, that Participant qualifies for certain legal services (*see ATF Audit Intervention Unit and Civil Litigation Defense Unit, below*) without additional payment of Legal Defense Fees. Failure to comply with the Guidelines does not preclude the Participant’s access to legal services from *FFLGuard* Attorneys at a courtesy rate less than the *FFLGuard* Attorney’s normal and customary rate. **Legal services not paid by the Fund subject those affected Participants to payment of a Retainer – over and above the Yearly Fee – to the Group in advance of the rendering of any legal services.**
2. ***Legal HelpDesk***- each Participant will be afforded the opportunity to interface (by telephone or e-mail) with *FFLGuard* Consultants on any and all ATF or federal firearms-specific legal questions. All queries and results will be vetted and, if appropriate, posted on the *FFLGuard* website for all Participants’ review.

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3. ***CLIENTS-ONLY WEBSITE Access-*** All *FFLGuard* and relevant documents, both from the ATF and from *FFLGuard* Counsel, Consultants and Professionals, are at the fingertips of every Participant, including but not limited to important FFL Newsletters, all *FFLGuard* created documents for any Participant (including an eBLAST and CLIENT UPDATE archive), and other information that *FFLGuard* shares only with its clients. The CLIENTS-ONLY Website is also accessible to every Participant via our iOS and Android smartphone apps.
4. ***eCommunications-*** each Participant is placed on a clients-only, joint defense privileged email chain (“eBlast”) that updates and informs the Participant of current legal and compliance related happenings and events. Clients also receive *FFLGuard* Program related updates (“eAdvisory”), as well as communications sent to the general public (“eNewsletter” or “eRelease”).
5. ***ATF Audit Intervention Unit-*** an *FFLGuard* Consultant, working under the attorney/client umbrella and, if not an attorney, at the direction of *FFLGuard*-approved legal counsel, will be assigned to intervene in any ATF compliance audit of a Participant, chronicle and memorialize the proceedings, centralize the results in a database for use by/for *FFLGuard* and its Participants, interface with the inspecting ATF (and other) officials as the audit develops, and advise the *Participant* as to the potential for a warning conference or revocation hearing. *FFLGuard*-approved Consultant supervising the audit will avail him/herself to draft attorney/client report, if necessary, attend any warning conferences or revocation hearings, handle appeals to Federal Court as a result of revocation, and work directly with ATF to draft dealer-specific Memoranda of Understanding to short-circuit revocations.
6. ***Civil Litigation Defense Unit-*** upon the filing of a civil Complaint against any Participant designed to call its business practices into scrutiny, *FFLGuard*-approved counsel and/or Consultants will defend the Participant for a pre-determined number of professional hours (currently identified as fifty [50] hours).
7. ***Virtual Site Visit-*** each Participant will have the opportunity to create a recording of their facility, utilizing *FFLGuard*'s iOS or Android smartphone app. The recording will be reviewed and analyzed by *FFLGuard* Consultants with a critical eye to assessing risks, strengths and weaknesses of the operation.
8. ***Conference-*** each Participant will have the opportunity to interface with

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*FFLGuard* for an hour-long discussion regarding the Participant's implementation of the Guidelines on premises, and a risk-assessment of the Participant's operation based on the Virtual Site Visit.

9. ***MS Windows ToolBox with ATF Inspector Alerts via SMS-*** Participants can download a MS Windows "ToolBox" that will give the Participant fast access to the CLIENTS-ONLY WEBSITE, quick hyperlinks to firearms law-related websites, live feeds ("RSS feeds") from content providers that *FFLGuard* deems relevant, regular *FFLGuard* updates, and alerts from *FFLGuard* when the ATF is inspecting the site of another *FFLGuard* Participant.
10. ***RecordSentinel Service-*** each Participant may provide a sampling of recent ATF Forms 4473 and their A&D Record Book. One of *FFLGuard's* Professionals will do a line-by-line quality check, and return an Attorney/Client privileged report, along with mark-ups, that indicate what issues may exist in those records.

*FFLGuard* also offers each Participant various Additional Services at an extra charge (but at a reduction of *FFLGuard* Attorney normal and customary rates), including mock ATF audits, half-day staff seminars, a comprehensive web-based training program, document reviews and assessments (both on-site and via fax/email), development of Standard Operating Procedure manuals, and other legal services not normally included in the Basic Services in the Program. All Additional Services afford Participants with "points" for use with the Participant's point requirement under the Guidelines. **These Additional Services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the rendering of such services.**

**FFLGuard FEES WAIVED FOR ELIGIBLE PARTICIPANTS:**

**If the Participant requires legal services in response to any Basic Services, above, and has complied with the 90% Guidelines requirement, all reasonable and necessary professional fees will be paid by the Group to *FFLGuard* Attorneys or Consultants from the Fund. Without compliance with the *FFLGuard Law Plus Guidelines*, the Participant will nevertheless be afforded professional services against an additional retainer at a courtesy rate less than the *FFLGuard* Attorney or Consultant's normal and customary rate. Participants are fully responsible for all reasonable and necessary travel expenses for *FFLGuard* Attorneys or Consultants. **Legal services not paid by the Fund subject those affected Participants to payment of a Retainer – over and above the Yearly Fee – to the Group in advance of the rendering of any legal services.****

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## **FFLGuard FEE SCHEDULE**

### **Basic Services\***

- Individual Participant Engagement Fee PER YEAR†‡ **\$2,995.00**
- Any operation with aggregate wholesale or retail sales of up to 10,000 guns per year (subject to adjustment)
  - Payable by credit card (Visa, MasterCard, Discover, AMEX)
  - Payable by faxed check (CHAX) or through authorized wholesale distributor reseller for 5% discount (\$2,850/year)
  - Payable by credit card installment plan (\$275/month or \$3,300/year)

### **Elite Services\***

- Individual Participant Engagement Fee PER YEAR†‡ **\$2,625.00**
- Any operation with aggregate wholesale or retail sales of up to 10,000 guns per year (subject to adjustment)
  - Requirement of 1 year in tenure and 10 points in Additional Services (5 points of which must be a DeepDIVE in last 3 years)
  - Payable by credit card (Visa, MasterCard, Discover, AMEX)
  - Payable by faxed check (CHAX) or through authorized wholesale distributor reseller for 5% discount (\$2,495/year)
  - Payable by credit card installment plan (\$225/month or \$2,700/year)
  - *\*Legacy clients (top 10% of clients based on tenure) receive ELITE services at "best available rate" (currently \$2,350 via CHAX only) with no additional requirements necessary.*

### **Corporate Services**

- Engagement Fee (up to 4 FFLs) PER YEAR†‡ **\$9,995.00**
- Any operation with aggregate wholesale or retail sales of over 10,000 guns per year –OR– standing inventory in excess of 2,500 firearms
  - All additional FFL's billed at ELITE rate in addition to Engagement Fee
  - Includes dedicated POC and development of Immediate Action Plan

### **Executive Services**

- Engagement Fee PER YEAR†‡ **TBD**
- Any operation with aggregate wholesale or retail sales (or inventory) of over 100,000 guns or aggregate revenues in excess of \$750M per year
  - Includes dedicated POC with *FFLGuard* team on staff

### **\*Volume Adjustment (Basic/Elite/Legacy Only)**

5000-9999 firearms sold: **+\$2,000.00**

### **"Safe Seller" Discount (10%)(Basic/Elite/Legacy Only)**

If FFL was subject to ATF inspection during the previous year, and had no violations or only received an ATF Report of Violations with no further administrative action, then additional 10% discount on entire yearly fee applies.

### **Approved Group Discount (Basic and Elite Only)**

Members of approved groups receive 10% (approximated) discount by CHAX only.

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**FFLGuard FEE SCHEDULE (con't)\***

**Additional Services**

Deep Dive (Mock ATF Audit)	(5 points)	\$150.00-\$175.00 per hour/Pro
Development of S/O/P for Participant	(4 points)	TBD
Half-Day Staff Training	(3 points)	\$1,495.00
Half-Day Document Review (On-Site)	(3 points)	\$1,495.00
Comprehensive Web-Based Training Program	(3 points)	\$95.00 per course, per person
RecordSentinel Service	(1 point)	\$350.00 or \$1,100.00 per year (4x)

**Other Additional Services and Yearly Service Plans**

NFA – YSP	(2 points)	\$995.00
California – YSP	(3 points)	\$1,995.00
UpStart	(5 points)	\$750/\$1,500/\$2,250
FreshStart	(5 points)	\$995.00

**Ancillary Services**

Matter Opening Fee	\$250.00
Interruption Fee	\$995.00 per year/per FFL
Hourly Fees	See <i>FFLGuard</i> “Courtesy Rate” Schedule

† The Group reserves the right to adjust the Yearly Fee to encourage participation from prospective clients as may positively affect the Fund and/or the Program. All fees are subject to adjustment based on Participant payment method.

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## **FFLGuard PERSONNEL RATE SCHEDULE**

### **“COURTESY RATE”**

**(For FFLGuard Client Services other than Basic Services and Additional Services)**

Christopher M. Chiafullo, Esq.	\$395/hr.
John Renzulli, Esq.	\$395/hr.
Chris Renzulli, Esq.	\$375/hr.
Michael Patrick, Esq.	\$350/hr.
Scott Allan, Esq.	\$325/hr.
Michael Bouchard	\$225/hr.
James Zammillo	\$225/hr.
Rick Vasquez	\$225/hr.
Mark Finnerty	\$225/hr.
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Other Attorneys and SMEs	\$250-\$450/hr.
Professional/Team Leaders	\$225/hr.
Professionals	\$175/hr.
Legal Assistants, Paralegals, Case Managers, and Para-Professionals	\$100-\$150/hr.

### **“NORMAL AND CUSTOMARY RATE”\***

**(For Non-FFLGuard Clients)**

Christopher M. Chiafullo, Esq.	\$495/hr.
John Renzulli, Esq.	\$495/hr.
Chris Renzulli, Esq.	\$475/hr.
Michael Patrick, Esq.	\$450/hr.
Scott Allan, Esq.	\$425/hr.
Michael Bouchard	\$325/hr.
James Zammillo	\$325/hr.
Rick Vasquez	\$325/hr.
Mark Finnerty	\$325/hr.
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Other Attorneys and SMEs	\$325-\$575/hr.
Professional/Team Leaders	\$250/hr.
Professionals	\$225/hr.
Legal Assistants, Paralegals, Case Managers, and Para-Professionals	\$150-\$225/hr.

\* Any Participant who joins HOT is **not** eligible to gain access to “courtesy” rates for FFLGuard personnel, **but will be afforded a reduction in normal and customary rates by 15% across the board.**

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## **FFLGuard, LLC SERVICES FEES**

*All Additional Retainers subject to FFLGuard, LLC Services Fee of 2.5%*

- > Payable by credit card (Visa, MasterCard, Discover, AMEX);
- > Payable by faxed check (CHAX) with 2.5% discount.

*All Additional or Ancillary Services are subject to:*

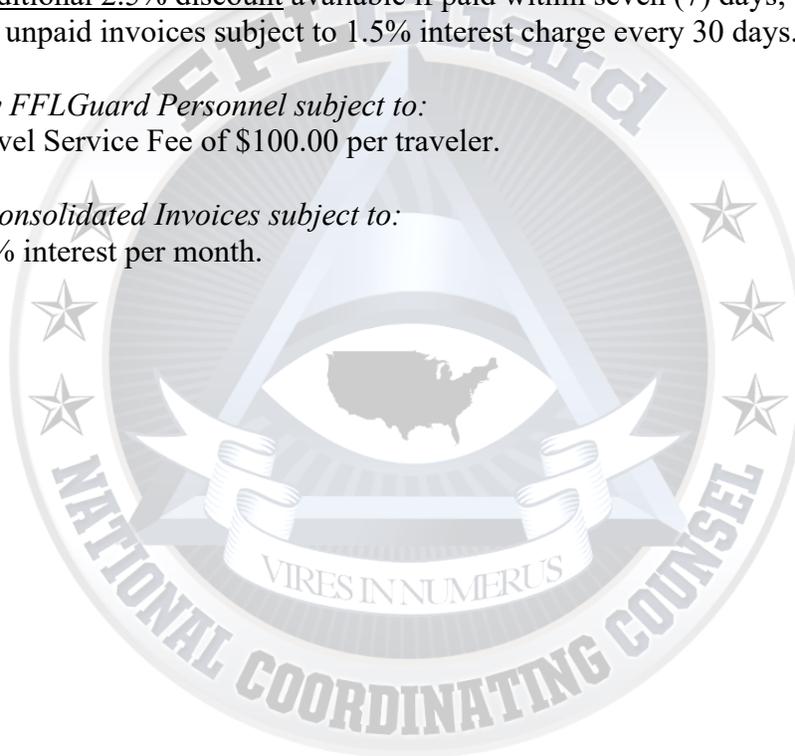
- > An upfront retainer requirement, with the amount to be determined by NCC and/or as set forth in our [Frequently Asked Questions](#) section at [www.fflguard.com](http://www.fflguard.com);
- > A standard FFLGuard, LLC Services Fee of 5%;
- > Payable by credit card (Visa, MasterCard, Discover, AMEX);
- > 2.5% discount available if paid by faxed check (CHAX);
- > Additional 2.5% discount available if paid within seven (7) days;
- > All unpaid invoices subject to 1.5% interest charge every 30 days.

*All Travel by FFLGuard Personnel subject to:*

- > Travel Service Fee of \$100.00 per traveler.

*All unpaid Consolidated Invoices subject to:*

- > 1.5% interest per month.



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All professional services, privileges, terms and conditions of the Program are governed by the Agreement, plus the Agreement's attachments, which include but are not limited to this Program Overview and Description, as executed by the Group and the Participant. Interpretation of the Program, including professional services available, Participant access to the Fund, and the cost of all services, is vested exclusively with the Group as NCC, in its absolute discretion. Program legal services are EXCESS over all insurance plans and/or similar such coverage held by the Participant. The Program is subrogated to all rights to recover against any person or entity and has a right of payment from any such recovery.

Effective dates for participation in the Fund shall be the first day of the first full month ninety (90) days after a Participant's Client Information Statement ("CIS") is received, the Fee is paid, and the Agreement between the Group and the client is executed. Applications to participate in the Program that are not fully and accurately completed cannot be processed and may result in ineligibility for, and non-payment of, *FFLGuard* sponsored legal services through the Fund. Any person or entity who is subsequently determined not to be eligible to participate or to receive legal services paid for by the Program as of the date that a client's need for legal services arises, will not receive payment of legal services by the Program.

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***THE FFLGUARD PROGRAM OFFERED BY FFLGUARD, LLC AND DIRECTED BY THE CHIAFULLO GROUP, LLC, IS NOT AN INSURANCE POLICY AND IS NOT PRE-PAID LEGAL SERVICES; THE CHIAFULLO GROUP, LLC IS A LAW FIRM OFFERING ACTIVE LEGAL REPRESENTATION PER ENGAGEMENT BY FFLGUARD LLC, AND DOES NOT OPERATE AS A NOT-FOR-PROFIT ORGANIZATION; THE FFLGUARD PROGRAM DIRECTED BY THE CHIAFULLO GROUP, LLC OFFERS CERTAIN LEGAL SERVICES TO ITS CLIENTS BY REDUCING, AND VOLUNTARILY ESCROWING, PART OR ALL OF THE FEES GENERATED BY THE REPRESENTATION OF ITS CLIENTS, AND IS AUTHORIZED TO UTILIZE THOSE FEES AS SET FORTH IN THE CLIENT'S ENGAGEMENT AGREEMENT WITH THE CHIAFULLO GROUP, LLC.***

For questions and information on enrollment procedures, requests for professional services, *FFLGuard* Attorneys or Consultants, and HelpDesk inquiries, please contact:

[info@fflguard.com](mailto:info@fflguard.com)

-OR-

Phone and Fax: 1-888-335-4731

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**DESCRIPTION OF  
PROGRAM TERMS & CONDITIONS  
9<sup>th</sup> Amended Version**

**(As amended through April 1, 2018)**

## **DESCRIPTION OF PROGRAM TERMS & CONDITIONS**

*FFLGuard* is a program (“the Program”) administered and overseen by a law firm, The Chiafullo Group, LLC (“the Group”), which is engaged by FFLGuard, LLC (the “Company”) to serve as national coordinating counsel (both counsel and its office personnel referred to as “NCC”) of the Program on behalf of multiple Federal Firearms Licensees clients, by providing cooperative and active legal representation with regard to firearms compliance pursuant to an executed engagement agreement (“Agreement”), in which these Program Terms & Conditions are incorporated by reference. The client (“the Participant” or “Participants”) is also required to pay a non-refundable, yearly fee (“the Fee”), wherein the Participant is engaged in the Program pursuant to its terms. Part of the Fee is immediately earned by the Group for its oversight role as NCC and the remainder of the Fee is escrowed as part of a “Consulting Services Fund” (“the Fund”) for use by the Company, at the direction of the Group, and the Company’s counsel, subject matter experts, professionals and para-professionals (“the Consultants”), in order to render services on behalf of the Participants.

**As with all legal or advisory services, the Program, Company and Group do not guarantee any results of *FFLGuard* Consultants as part of the Program or otherwise.**

Section 1. **DEFINITIONS.** As used in this Program Description:

- A. “Program” means the plan for Compliance and legal services administered and overseen by The Chiafullo Group, LLC (“the Group”), a law firm based in New Jersey, and as amended from time to time by the Group. Both the Program and the Company, as well as other *FFLGuard* related companies or services, may be referred to interchangeably hereinafter as “*FFLGuard*.”
- B. “Consulting Services Fund” or “Fund” means the amount of the Yearly Fees voluntarily identified by the Group for use to pay outside fees, which the Participant expressly authorizes the Group to utilize, without limitation, (i) to pay for Legal Defense Fees of any Participant, subject to the terms and conditions of the Program, including but not limited to compliance with the *FFLGuard Law Plus Guidelines* (“the Guidelines”) and/or associated point plan considerations; (ii) to apportion and spend the money in the Fund to administer, market, advertise, and promote the Program and/or pay a third-party administrator to handle the administration, marketing, advertising, and promotion of the Program; (iii) to retain or otherwise compensate like-minded counsel or Consultants to act on any client’s behalf as part of the Program, now or in the future, including but not limited to retention of the Group itself; and (iv) to invest, re-invest, encumber, loan or otherwise use the Fund to increase it for

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future use.

- C. “Supporter” means those firearms manufacturers, distributors and trade groups who support *FFLGuard* and or the Group, either financially, through in-kind services, or through positive feedback, as identified by *FFLGuard* to be such a supporter.
- D. “Participant” means a client of the Group approved to participate in the Program, and in good standing with the Group and/or the Program.
- E. “Yearly Fee” means the yearly, non-refundable amount paid by each Participant to engage the Group as part of the Program starting with the initial Yearly Fee which is sometimes referred to as the “Engagement Fee.”
- F. “Fee” may refer generally to the initial Engagement Fee to participate in the Program, or the subsequent Yearly Fees that follow annually, but also refers to any amount due for services rendered by the Group or the Company as part of or under the terms of the Program.
- G. “Retainer” means the amount of money, **non-inclusive of the Engagement Fee or any Yearly Fee**, paid by participant for certain services, including but not limited to Additional Services, and subject to refund for any amount unused.
- H. “FFL” means Federal Firearms License or Federal Firearms Licensee.
- I. “*FFLGuard* Attorney” means any attorney, and/or his/her law firm, designated by the Group as approved counsel to handle any legal services for a Participant, whose name appears on the list of such attorneys as provided by the Group.
- J. “*FFLGuard* Professional” means any non-attorney, working as an agent of an *FFLGuard* Attorney, and specifically approved by the Group to work with *FFLGuard* Attorneys. These Professionals are also considered Consultants under the terms of the *FFLGuard* Description and Overview.
- K. “Legal Defense Fees” means expenses a Participant incurs for legal fees incurred by an *FFLGuard* Attorney or an *FFLGuard* Consultant under the Program, not to exceed the applicable limits of the Program or the Program’s liability. **These Legal Defense Fees are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance if Participant does not qualify for access to the Fund as set forth in this Program Description.**

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- L. “Legal Services” include advice, consultation and representation rendered by an *FFLGuard* Attorney, and/or an *FFLGuard* Consultant as an agent of an *FFLGuard* Attorney, including the usual fees and office charges incurred for paralegal assistance, telephone, mailing, copying, telefaxing, and other similar office expenses, but not including Reimbursable Travel Costs attributable to and payable by the Participant. **These Legal Services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance if Participant does not qualify for access to the Fund as set forth in this Program Description.**
- M. “Reimbursable Travel Costs” include all travel and travel-related costs, including but not limited to transportation costs, hotel costs, and other commonly known travel expenses, incurred by *FFLGuard* Attorneys or *FFLGuard* Consultants which are wholly attributable to and payable by the Participant. **These Reimbursable Travel Costs are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the Group incurring such costs.**
- N. “Non-Covered Costs and Expenses” means legal or litigation costs and/or expenses not paid by the Fund or under the Program, including but not limited to payment or indemnification for any loss or damages incurred by way of judicial or administrative proceeding, whether said proceeding is/was/will be handled by *FFLGuard* Attorneys/Consultants or not; any loss incurred as a result of any administrative proceedings, legal action, judgment, award of damages (including but not limited to punitive damages), settlement, fine or penalty of any kind; expert fees for expert testimony; court reporting fees; photocopies and facsimiles; electronic legal research fees; and any other such ancillary litigation expenses as the Group may designate from time to time. **These Non-Covered Costs and Expenses are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the Group incurring such costs.**
- O. “*FFLGuard Law Plus Guidelines*” (sometimes referred to as “Guidelines”) are the Program’s written policies and advice under which all Participants must comply to remain eligible for access to the Fund. Failure to comply with the Guidelines does not preclude the Participant’s access to legal services from *FFLGuard* Attorneys at a courtesy rate less than the *FFLGuard* Attorney’s normal and customary rate. **Legal services not paid by the Fund subject those affected Participants to payment of a Retainer – over and above the Yearly Fee – to the Group in advance of the rendering of any legal services.** The Guidelines may be amended globally or on a case-by-case basis at the sole discretion of the Group.

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- P. “Notice” means reporting information as required by this Program Description. Notice to the Group shall be effective on the date that *FFLGuard* actually receives it.
- Q. “Welcome Packet” includes all such material distributed to new Participants, including but not limited to *FFLGuard Law Plus Guidelines*, Certificate of Participation, *FFLGuard* marketing materials, if any, and other such materials as may change from time to time.
- R. “Legal HelpDesk” means the accessibility of *FFLGuard* Attorneys or *FFLGuard* Consultants to Participants *via* telephone or e-mail to respond to legal questions or research legal issues.
- S. “ATF Audit Intervention Unit” means the *FFLGuard* Attorneys and/or Consultants that handle all ATF audits of Participants and the proceedings and or actions that stem therefrom.
- T. “Civil Litigation Defense Unit” means the *FFLGuard* Attorneys and/or Consultants that handle all civil complaints filed against Participants citing causes of action that focus on the Participants business practices, and seeking relief that includes the oversight and/or control of the Participants business practices, its *FFLGuard* Attorneys and/or Consultants.
- U. “Engagement Agreement” (sometimes referred to as “Agreement”) is the governing and controlling agreement between the Participant and the Group, which incorporates other documents by reference into it, including but not limited to this Description of Program Terms & Conditions.
- V. “Matter Opening Fee” is the charge issued by the group, and passed through *FFLGuard* Attorneys to the Participant, in lieu of continually billing the Participant for oversight of matters that fall outside the purview of the Fund.
- W. “Interruption Fee” is the amount assessed to Participants who drop out of the Program, and rejoin the Program at a future date.
- X. “National Coordinating Counsel” (both counsel and its office personnel referred to as “NCC”) is responsible for serving as the main point-of-contact between *FFLGuard* clients and counsel; for hand-picking and engaging lawyers in both the Special Operations and Field Operations segments of the Program; for insuring the sanctity of the attorney-client privilege among all parties; for disseminating information to *FFLGuard* clients without breaking anonymity; for collection of all participation fees from clients; for disbursement of *FFLGuard* client fees to “promote,

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market, advertise and administer the Program”; for determining the policies and overall direction of the Program; for maintaining the Description and Overview of the Program with accuracy; for being the ultimate arbiter of which *FFLGuard* clients have complied adequately with the *FFLGuard* Law Plus Guidelines and thus qualifying them for *pro bono* legal service through the Program; and to generally direct and guide all lawyers and clients involved in *FFLGuard* in such a fashion so as to grow the client participation in the Program.

- Y. “Special Operations” handles *FFLGuard* clients in what the NCC has determined to be in critical or compromised condition, and does so through connections established within the industry (NRA, NSSF, other state run firearms organizations and third-party advocate groups), within the Federal Government (BATF, ICE, TTB, etc.), within State Governments (AG offices, State Police, etc.), within Gun Control groups (Brady Center, Mayors Against Illegal Guns, etc.), with *FFLGuard*’s Field Operations Group and its Consultants, and with any other organization, group, or individual that may benefit *FFLGuard* clients. The Director of Special Operations also handles all high-profile risk management and damage control scenarios for *FFLGuard* clients designated by the Office of the NCC as critical/compromised; works with other Special Operations counsel to further the Program’s goals; and accomplishes whatever tasks may be issued from the Office of the NCC.
- Z. “Field Operations” serves as a conduit between (1) the NCC and (2) clients participating in the Program who are involved in any way with ATF or a ATF inspection – or – who have any questions or concerns related to any areas of the law that would be enforced by ATF, and (3) specialized counsel (or para-professionals) acting on their behalf.
- AA. “ATF” means the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and their officials, agents, inspectors, etc.
- BB. “Basic Services” are as defined in Section 11, below, and as priced in the Fee Schedule made a part of both the Description of Program Terms & Conditions and Overview of Program Terms & Conditions.
- CC. “Additional Services” are as defined in Section 11, below, and as priced in the Fee Schedule made a part of both the Description of Program Terms & Conditions and Overview of Program Terms & Conditions. **Additional Services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the Group incurring such costs.**
- DD. “Ancillary Services” are neither Basic Services nor Additional Services as

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defined in Section 11, below, and are priced in the Fee Schedule made a part of both the Description of Program Terms & Conditions and Overview of Program Terms & Conditions. **Ancillary Services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the Group incurring such costs.**

- EE. “Company” refers to *FFLGuard* LLC, the consulting entity that employs counsel, subject matter experts, professionals, para-professionals and staff to aid the Group with running the Program through special arrangements and agreements.
- FF. “*FFLGuard* Consultants” refer to the counsel, subject matter experts, professionals, and para-professionals (with these latter mentioned professionals or para-professionals sometimes being referred to as “Professionals” but who remain Consultants) who are engaged through the Company to assist the Group with the Program.

Section 2. ENGAGEMENT AGREEMENT. By signing the Agreement to participate in the Program, a Participant agrees to be bound by the Terms & Conditions of the Program as set forth in this Description and incorporated by reference into the Agreement.

Section 3. FINANCIAL.

- A. *Yearly Fee:* This is the **annual, non-refundable** amount each Participant pays pursuant to the Agreement to participate in the Program and obtain Basic Services as set forth herein. If the Fee is split into installments, each Participant shall pay the equivalent of twelve (12) installments before such time as it can cancel any obligations of the Program. The initial Yearly Fee is often referred to as the “Engagement Fee.”
- B. *High Volume Assessment:* In order to adequately service all Participants in the Program equally, notwithstanding the Participant’s actual size or revenue, a High Volume Assessment is assessed in Year 2 and with every Yearly Fee renewal thereafter based on Participant’s representation of total firearms sold in the previous year.
- C. *Additional Retainer:* This amount is NOT the same as the Engagement Fee/Yearly Fee and is not always required from a Participant. It is an ADDITIONAL, **fully refundable** amount that a Participant pays if (i) joining the Program with an existing problem or issue that requires immediate legal attention (“joining HOT”), (ii) if a Participant seeks Additional or Ancillary Services under the Program, or (iii) if the

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Participant is subject to pay for Reimbursable Travel Costs or Non-Covered Costs and Expenses as set forth in Section 13, below. This Retainer must be replenished as dictated by any Agreement with *FFLGuard*, and is applied to any Fees (Yearly or otherwise) incurred by the Participant.

- D. *Payment on behalf of Participants by the Fund:* The Program provides for the payment of Legal Defense Fees on behalf of its Participants as provided in the Program. Specifically, Participants expressly authorize the Group, without limitation, (i) to utilize the money to pay for Legal Defense Fees of any Participant, subject to the terms and conditions of the Program, including but not limited to compliance with the *FFLGuard Law Plus Guidelines* and/or any additional point plan considerations; (ii) to apportion and spend the money to administer, market, advertise, and promote the Program and/or pay a third-party administrator to handle the administration, marketing, advertising, and promotion of the Program; (iii) to retain or otherwise compensate like-minded counsel or Consultants to act on any client's behalf as part of the Program, now or in the future, including but not limited to retention of the Group itself; and (iv) to invest, re-invest, encumber, loan or otherwise use the Fund to increase it for future use. Any donations to the Fund by Supporters shall be utilized first to pay Legal Defense Fees on behalf of any qualifying Participant. All Legal Defense Fees paid from the Fund are limited to the amounts in the Fund and any pre-determined caps set by the Group.
- E. *Process of all finances:* All Engagement Fees, Yearly Fees, Retainers, other Fees, Reimbursable Travel Costs or Non-Covered Costs and Expenses, as invoiced, are processed through and allocated by the Company to the Fund, to the Group, and/or the agents of the Group or the Company, or to wherever appropriate, in order to finance all *FFLGuard* related activities. All Participants agree and acknowledge that they will be required to utilize the Company's services, and pay any service fees related thereto, to facilitate participation in the Program. A list of these Service Fees can be found as "Schedule C" appended to these Terms & Conditions and incorporated herein by reference.
- F. *Consolidated invoices and expectations on payment:* Fees and expenses paid for and processed by the Company will be billed to clients periodically in "Consolidated Invoices" (invoices that represent a collection of invoices from various *FFLGuard* Personnel) and are payable by the client upon presentation. *FFLGuard* reserves the right to postpone or defer providing additional services, or to discontinue our representation, if billed amounts are not paid when due. If our statement remains unpaid more than 30 days after presentation, we reserve the right to add interest at the rate of 1.5% per month.

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- G. *Communication Regarding Billing:* Clients should be satisfied with both the quality of *FFLGuard* services and the explanation of the fees that we charge for those services. *FFLGuard* will attempt to provide as much billing information as possible, and in such form as our client desires. If *FFLGuard* makes a mistake in billing, we ask that the client please advise us promptly so that we may correct any error.

Section 4. CHANGES AND AMENDMENTS TO PROGRAM. The NCC may modify, amend or terminate the Program at any time. Any change shall become effective for all Fees due, legal services accruing and requests for legal services made by Participants or reported to *FFLGuard* on or after the effective date of the change. By participating in the Program, Participant agrees to and acknowledges that certain amendments and changes may occur over time that (i) alter the Program and/or (ii) alter the Terms and Conditions binding the Participant with *FFLGuard* and/or the Group, and/or (iii) alter the Guidelines. The Participant agrees to accept these changes as they occur in the future, subsequent to electronic mail notification by the Group regarding same. Failure to object in a timely fashion as to any amendments shall waive any rights that the Participant may have according to same or pursuant to Federal, State or local law.

Section 5. ELIGIBILITY. All firearms dealers holding a valid Federal Firearms License are eligible to be a Participant, subject to the completion of the prerequisites for participation set forth in these Terms & Conditions.

Section 6. PREREQUISITES FOR PARTICIPATION AND CONTINUED PARTICIPATION. Participation in, and the right to legal services under the Program, arises only **upon the receipt by the NCC of a Client Information Statement (“CIS”)**, an executed Agreement with the NCC, and the Participant’s delivery of the agreed upon Yearly Fee (and Retainer, if applicable). Continued participation in the Program shall be based on Participant’s compliance with *FFLGuard Law Plus Guidelines*, with the level of Participant compliance in the sole discretion of the NCC, and Participant’s continued payment of Fees as a client of the Group.

Section 7. EFFECTIVE DATE OF PARTICIPATION. The effective date for any Participant to utilize the Fund shall be the first day of the first full month ninety (90) days after: (i) an Agreement is executed between the Group and a client; (ii) the Office of NCC receives the Participant’s CIS and FFL, and (iii) the Group receives the applicable Yearly Fee from that Participant. During that ninety (90) day “cooling off” period, Participants will be entitled to legal services at a courtesy rate by the *FFLGuard* Attorney or Consultant less than their normal and customary rates. **These legal services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the rendering of such legal services.**

Section 8. WELCOME PACKET - CERTIFICATE OF PARTICIPATION.

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- A. Upon receipt of (i) an executed Agreement and (ii) the appropriate Engagement (Yearly) Fee, the Group shall issue a Welcome Packet that includes a Certificate of Participation containing the following information:
1. the client identification number of the Participant;
  2. the name of each Participant; and
  3. the date on which participation takes effect.
- B. The Welcome Letter also details how the Participant gains access to the Group's "CLIENTS ONLY" website ([www.fflguard.org](http://www.fflguard.org)): the primary means for Participants' staying in constant contact with the Group.

Section 9. PARTICIPANT'S TERMINATION FOR NON-PAYMENT OF FEES.

- A. All Fees must be timely paid each year in order for a Participant to be entitled to legal services under the Program. All Fees shall be set forth in the Fee Schedule part of the Program Overview and Program Description, as supplemented, modified or amended from time to time by the Group.
- B. All Fees shall be payable on an annual basis and such additional bases as the Group shall prescribe from time to time. The initial Engagement Fee payment shall be submitted simultaneous to the submission of an executed Agreement. Thereafter Engagement Fees shall be paid on or before any scheduled due date in the amounts billed by the Group. Notices of renewal shall be mailed at least twenty-one (21) and not more than sixty (60) days prior to the applicable due date.
- C. If any Fee is not timely made as required in subsection B of this section, the payment shall be delinquent and participation in the Program shall cease effective as of 12:01 a.m. on the day after the applicable due date. If ANY delinquent amounts are received by *FFLGuard* within sixty (60) days following the due date, participation shall be reinstated automatically, retroactive to the day after the due date. If any payment is delinquent sixty-one (61) days or more, participation shall be deemed to have terminated effective as of 12:01 a.m. on the day after the applicable due date, a newly executed Agreement shall be required, and Interruption Fees as set forth herein may apply.

Section 10. TERMINATION OF PARTICIPATION AND OF ENTITLEMENT TO LEGAL SERVICES.

- A. Except as provided otherwise in subsection B of this section, a Participant's participation in, and entitlement to legal services under, the Program shall terminate upon:

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1. non-payment of any Fee when due;
2. voluntary withdrawal from participation, pursuant to the terms herein;
3. voluntary termination of the Participant's FFL; or
4. involuntary termination of the Participant's FFL, if the Participant also failed to comply with the Guidelines.

B. Termination shall affect the right to legal services which have accrued prior to the date of termination at the Group's discretion.

Section 11. SERVICES FOR PARTICIPANTS.

A. *Basic Services:* Subject to the Terms & Conditions of the Program as set forth herein, all Participants are afforded the Guidelines plus the following Basic Services:

1. ***ATF Audit Intervention Unit-*** should a Participant be subject to an ATF compliance audit, an *FFLGuard* Attorney (or *FFLGuard* Consultant working as an agent to the *FFLGuard* Attorney) will be assigned to intervene in the audit, chronicle and memorialize the proceedings, centralize the results in a database for use by/for *FFLGuard* and its Participants, interface with the inspecting ATF (and other) officials as the audit develops, and advise as to the potential for a warning conference or revocation hearing. The *FFLGuard* Attorney (or *FFLGuard* Consultant working as an agent to the *FFLGuard* Attorney) will avail him/herself to draft attorney/client reports, attend any warning conferences or revocation hearings, handle appeals to Federal Court as a result of revocation, and work directly with ATF to draft dealer-specific Memoranda of Understanding to short-circuit revocations. Participant will be solely responsible for all Reimbursable Travel Costs incurred by the *FFLGuard* Attorney and/or *FFLGuard* Consultant working at the *FFLGuard* Attorney's direction. The Participant will further be responsible, pursuant to the Program and the engagement agreement, for all Non-Covered Costs and Expenses as set forth in the Program.
2. ***Civil Litigation Defense Unit-*** upon the filing of a civil Complaint against any Participant designed to call its business practices into scrutiny, the Program will defend the Participant for fifty (50) professional hours, which, for the purposes of this section includes all partners, associates, para-professional, and other such professional time customarily afforded by a law firm to a client. Participant will be solely responsible for all Reimbursable Travel

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Costs incurred by the *FFLGuard* Attorney (or *FFLGuard* Consultant working as an agent to the *FFLGuard* Attorney). The Participant will further be responsible, pursuant to the engagement agreement and the Program, for all Non-Covered Costs and Expenses as set forth in the Program. Once the Participant exceeds the initial fifty (50) hours afforded under the Program, the Participant will be solely responsible for all fees expended thereafter by the *FFLGuard* Attorney, as well as any retainer amount(s) necessary for the *FFLGuard* Attorney's going forward services, at a courtesy rate less than the *FFLGuard* Attorney's normal and customary rates.

3. **Legal HelpDesk-** each Participant will be afforded the opportunity to interface (by telephone or e-mail) with *FFLGuard* Consultants on any and all ATF or federal firearms-specific legal questions. All queries and results will be vetted and, if appropriate, posted on the *FFLGuard* website for all Participants' review.
4. **Virtual Site Visit-** each Participant will have the opportunity to create a recording of their facility, utilizing *FFLGuard's* iOS or Android smartphone app. The recording will be reviewed and analyzed by our Consultants with a critical eye to assessing risks, strengths and weaknesses of the operation.
5. **Conference-** each Participant will have the opportunity to interface with *FFLGuard* for an hour-long discussion regarding the Participant's implementation of the Guidelines on premises, and risk-assessment of the Participant's operation based on the Virtual Site Visit.
6. **eCommunications-** each Participant is placed on a clients-only, joint defense privileged email chain ("eBlast") that updates and informs the Participant of current legal and compliance related happenings and events. Clients also receive *FFLGuard* Program related updates ("eAdvisory"), as well as communications sent to the general public ("eNewsletter" or "eRelease").
7. **CLIENTS-ONLY Website Access-** All *FFLGuard* and relevant documents, both from the ATF and from *FFLGuard* Counsel, Consultants, and Professionals, are at the fingertips of every Participant, including but not limited to important FFL Newsletters, all *FFLGuard* created documents for any Participant (including an eBLAST and CLIENT UPDATE archive), and other information that *FFLGuard* shares only with its clients. The

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CLIENTS-ONLY Website is also accessible to every Participant via our iOS and Android smartphone apps.

8. ***MS Windows ToolBox with ATF Inspector Alerts via SMS-*** Participants can download a MS Windows “ToolBox” that will give the Participant fast access to the CLIENTS-ONLY WEBSITE, quick hyperlinks to firearms law-related websites, live feeds (“RSS feeds”) from content providers that *FFLGuard* deems relevant, regular *FFLGuard* updates, and alerts from *FFLGuard* when the ATF is inspecting the site of another *FFLGuard* Participant.
- B. ***Additional Services:*** each Participant will be offered various services at an extra charge (but at a reduction of *FFLGuard* Attorney and Consultant Fees), including mock ATF audits, half-day staff seminars, a comprehensive web-based training program, document reviews and assessments (both on-site and via fax/email), development of Standard Operating Procedure manuals, and other legal services not normally included in the Basic Services in the Program. All Additional Services afford Participants with “points” for use with the Participant’s point requirement under the Guidelines. **These Additional Services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the rendering of such services.**
- C. ***Ancillary Services:*** subject to these Terms & Conditions, all Participants are afforded legal services at courtesy rates below the normal and customary rates billed by each *FFLGuard*-approved counsel and Consultant. If not categorized as a Basic Service or an Additional Service, all other Participant compliance or legal services will be billed by *FFLGuard* as “Ancillary Services” at a courtesy rate less than the normal and customary rate. All Reimbursable Travel Costs are paid by the Participant. **These Legal Defense Fees and Reimbursable Travel Costs are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the rendering of such legal services.**
- D. ***Fee Schedule:*** all Basic, Additional and Ancillary services are listed with corresponding fee, and all attorney and Consultant rates are listed in a “normal and customary” category and “courtesy” category on a “FEE SCHEDULE” as Schedule “A” and Schedule “B” appended to these Terms & Conditions and incorporated herein by reference. This Fee Schedule is subject to change pursuant to these Terms & Conditions.
- E. ***Joining With a Pre-Existing Condition (“Joining HOT”):*** any Participant who joins HOT is not eligible to gain access to “courtesy” rates for

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*FFLGuard* attorneys and Consultants, but will be afforded a reduction in normal and customary rates by 15% across the board.

- F. *Service Tiers*: Participants are eligible to receive different levels of fees and service options depending on qualifications set forth in the SERVICE TIERS on Schedule “D” appended to these Terms & Conditions and incorporated herein by reference.

Section 12. REQUEST FOR LEGAL SERVICES – DATES – NOTICE.

This Program applies only to requests for legal services that are first made by the Participant and reported to *FFLGuard* on or after the Participant’s effective date of participation, and on or before the date of termination of the applicable privileges with respect to that Participant. In addition, for access to the Fund, a request for legal services must arise out of a firearms sale that occurred between the same dates. For purposes of determining the respective dates on which a request for legal services is made and reported:

1. a request for legal services must be made by the Participant when the Participant is first on notice by any person of information suggesting the possibility of a request for legal services, as set forth in Section 13(A), below;
2. a request for legal services shall be deemed reported to *FFLGuard* when notice of such request for legal services is first received by *FFLGuard*; and
3. all requests for legal services by a Participant arising out of the same occurrence, actions or events shall be deemed made and reported on the respective dates the first request for legal services in made to the Participant and reported to the Program.

Section 13. ELIGIBILITY TO ACCESS THE FUND.

- A. Participants may gain access to the Fund to pay for Legal Defense Fees for both the ATF Audit Intervention Unit and Civil Litigation Defense Unit by complying with 90 out of 100 points assessed to the Guidelines (as determined in the NCC’s sole discretion, or as determined by counsel delegated authority to make such determination by the NCC), subsequent to the Participant’s Effective Date of Participation as set forth in Section 6, above. Points earned by the Participant for Additional Services rendered shall be included as part of the 90 point requirement.
- B. Participants will not be eligible to access the Fund, and the Group shall in no way whatsoever be liable to or for any Participant:
1. where the Participant seeks legal services to defend activities that

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- include criminal charges (either brought independently, or contemporaneous to civil/administrative charges otherwise covered under the Program) by a law enforcement body, other than those charges that may be brought by the ATF consistent with that which would emanate from an ATF audit, as set forth in various sections throughout the Program;
2. where legal services are available under insurance policies, collective bargaining, workers' compensation, occupational health and safety, unemployment compensation, disability legal services, or similar laws, insurances, or programs;
  3. where the Participant seeks reimbursement or indemnification for any loss or damages incurred by way of judicial (civil or criminal) or administrative proceeding or its outcome, whether said proceeding is/was/will be handled by *FFLGuard* Attorneys/Consultants or not, including but not limited to any loss incurred as a result of any administrative proceedings, civil action, judgment, award of damages (including but not limited to punitive damages), settlement, fine or penalty of any kind;
  4. where compensation for legal counsel is available to defend the Participant under any liability insurance policy or other insurance, as provided in subsection B of this section;
  5. where the Participant is named as a defendant in a civil or criminal lawsuit that seeks damages for liability, including but not limited to personal injuries or wrongful death, and/or does not only scrutinize the Participant's business practices and/or only seek to regulate the Participant's business over and above the laws current in place in the Participant's state and across the country;
  6. where the Participant fails to follow the *FFLGuard Law Plus Guidelines*, which determination of compliance is at the sole discretion of the NCC and/or counsel delegated such authority by the NCC;
  7. where a Participant's sale(s) of firearms, or the recording of said firearms sales pursuant to law governing the Participant's FFL, occurs on or before the Effective Date of Engagement as set forth above; upon the Participant's third (3<sup>rd</sup>) anniversary in the Program, without interruption, this exclusion will only apply to firearms sales, or the recording of said firearms sales pursuant to law governing the Participant's FFL, occurring on or before the date ten (10) years prior to the Effective Date of Engagement; this exclusion shall be null, void and inapplicable upon the Participant's fifth (5<sup>th</sup>) anniversary in the Program without interruption. Any interruption in legal services shall reset all counters as to the determination of the Participant's anniversary date; or
  8. where the Participant fails to meet the "Effective Date" criteria as set forth in these Terms & Conditions, above.
  9. where the Participant acts with intention to violate any laws or

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regulations governing the Participant's FFL.

- C. If any valid and collective insurance is available to cover and/or available to the Participant to cover legal services otherwise covered under this Program, then the legal services provided under such other insurance shall be considered primary source of payment. Legal services under this Program shall apply only in excess to Participant's insurance, unless agreed to in advance by the Group on the occurrence of a Participant seeking legal services under the Program, and shall not be considered as "additional insurance" or contribute with such insurance in any way except to provide excess legal services after the available limits of all insurance plans have been exhausted. As used in this section, the term "insurance" includes but is not limited to insurance or self-insurance or legal services provided by or through a Participant's employer, other groups or associations, insurance coverage or legal services covering and/or provided by a Participant; coverage or legal services provided by self-insurance, trusts, pools, risk retention, groups or captive insurance companies; any insurance or self-insurance plan or agreement of risk assumption; and any obligation to defend, pay or indemnify under any statute, ordinance, regulation or agreement.
- D. Prior to seeking legal service pursuant to the Program, the Participant agrees to:
1. submit any and all requests for legal services otherwise covered by the Program to all available insurance plans and, if requested by the Group, to undertake and pursue such requests for legal services with Participant's insurance carrier naming NCC as his preferred counsel. The Participant's obligation under this paragraph shall exist regardless of whether the request for legal services against the Participant is brought in the Participant's official capacity, individually, or is a claim for punitive damages;
  2. execute and deliver instruments and other documents and do whatever else is necessary to pursue such request for legal services from Participant's insurance carrier; and
  3. do nothing to prejudice the rights of the Group to recover money or legal services due the Participant in connection with such requests for legal services. The Program shall pay all expense for the pursuit of such requests for legal services, and reserves the right to assume the legal representation of the Participant for that purpose.

*Failure to abide by this Section may result in the termination of the Participant from the Program, and reimbursement by the Participant of all fees, costs and expenses incurred by the Group to provide legal services through an FFLGuard Attorney or an FFLGuard Consultant.*

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- E. If a Participant's request for legal services is excluded under the Program, the Participant will nevertheless be eligible to engage an *FFLGuard* Attorney at the exclusive *FFLGuard* Participant courtesy rates that are less than the *FFLGuard* Attorney's normal and customary rates. **These legal services are subject to the payment of a Retainer – over and above the Yearly Fee – to the Group by Participant in advance of the Group's rendering of those legal services.**

Section 14. REIMBURSABLE TRAVEL COSTS and NON-COVERED COSTS AND EXPENSES NOT COVERED BY THE PLAN. Subject to the terms of the Program, all Legal Defense Fees and Legal Services as described in the Program, shall be paid from the Fund, subject to compliance with the *FFLGuard Law Plus Guidelines* and the Exclusions set forth in Section 13(A), above, only to *FFLGuard* Attorneys or Consultants identified by the Group. ALL Reimbursable Travel Costs and Non-Covered Costs and Expenses are not are covered by the Program. **All Reimbursable Travel Costs and Non-Covered Costs and Expenses are subject to payment of a Retainer – over and above the Yearly Fee – by Participant to the Group in advance of the Group incurring such costs.**

Section 15. CONFLICT OF INTEREST WAIVER.

- A. Because the Program utilizes a “cooperative and collaborative” framework wherein the Participant authorizes the NCC to engage counsel, subject matter experts, professionals, and others on the Participant's behalf, and on behalf of the Program as a whole, there will be lawyers involved in the Program, including but not limited to the Group, who are actively engaged to represent other Federal Firearms Licensees, including but not limited to manufacturers, distributors, retail dealers, trade organizations, and other parties aligned in interest insofar as the sales of firearms to the general public and preservation of a FFL is concerned. A potential exists wherein certain counsel for the Program may be simultaneously engaged in an action by any of the foregoing entities “aligned in interest” with the Participant, but whom has a particular legal matter, unrelated to that “aligned interest” found in the spirit and substance of the Program, against the Participant.

(By way of example, a lawyer hired by the NCC to render counsel for the benefit of the Program and all if its Participants may also represent a manufacturer who is seeking payment for product delivered to a particular Participant. ***In such case, or cases substantially similar, by agreeing to the Terms and Description of the Program, a Participant agrees in advance and fully consents that he or she shall waive any such conflict in order to participate in FFLGuard.*** The Group makes every effort to disclose all counsel working with the Program, and a list of these lawyers,

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subject matter experts and professionals can be found at [www.fflguard.com](http://www.fflguard.com), so a Participant may make an informed, independent decision as to whether participating “cooperatively and collaboratively” in the Program is right considering the personnel involved. We encourage Participants to meet with private counsel to review the ramifications of this waiver, and the benefits/detriments of the Program, before agreeing to the Terms and Description.

- B. The purpose of this “Conflict of Interest Waiver” section is to transparently advise each Participant of the actual and potential consequences of simultaneous representation of all Participants, and to explain the circumstances under which *FFLGuard* would be willing to represent all parties simultaneously as part of the Program, if, after full consideration of the consequences, all Participants wish us to do so. In particular, we want you to be aware of the following:
1. Under applicable rules of professional conduct, a law firm owes each of its clients a duty of loyalty, which would normally preclude any attorney within (or working with) the firm from undertaking a representation adverse to any client of the firm without the affected client’s informed consent. Other rules generally prohibit a firm from undertaking any representation involving an actual or potential conflict of interest without the informed consent of all affected parties. Such a situation exists whenever a firm represents two clients simultaneously in a situation in which their interests are actually or potentially adverse.
  2. The conflict of interest, and the need for informed consent, exist no matter how cordial the business relationship between the two parties currently is or is anticipated to be, and no matter how non-controversial your “cooperative and collaborative” involvement in the Program is anticipated to be.
  3. The conflict of interest, and the need for informed consent, exist even where different “client teams” within the firm (or among co-counsel) act on behalf of each client and an “ethical screen” is erected between the client teams that prohibits the sharing of either client’s confidences with the members of the other client’s team.
  4. We do not recommend – nor do we usually undertake – simultaneous representation of *adverse* parties, and have not recommended this simultaneous representation to you. We have recommended, instead, that each party seek separate representation. We also recommend that each of you seek the advice of independent counsel of your own choice regarding this consent to participate in the Program. By signing this Agreement, we understand it to be the wish of all Program participants that we undertake

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the simultaneous representation of all parties with respect to the Program, and we will undertake to do so under the terms described herein in the Global Terms of Engagement, incorporated herein by reference.

5. It may not be possible for a single law firm like the NCC, or law firms working with the NCC, to represent all parties to the Program in the same zealous manner as would separate and independent law firms. By giving the consent requested in this letter, you are, in effect, waiving that kind of zealous representation of your individual and conflicting interests with respect to the good of the Program. It is possible that each or all of you participating in the Program might be advised by independent counsel to demand or offer different or more favorable terms and conditions with respect to the Program than we can or will demand or offer.
6. Moreover, regardless of the terms upon which the matters between the clients are concluded, the fact that one law firm has been involved in the representation of both parties may give rise to a perception on the part of shareholders, investors or other third parties that different terms might have been arrived at had each of you had separate representation by an independent law firm.
7. If a dispute should arise in the future among any of you participating in the Program, or any other aspect of your dealings with each other, we believe we would have to withdraw, or would be disqualified, from representing any of you with regard to that dispute or any other relationship you might then have with each other. You would then each have to retain separate counsel, resulting in additional expense and inconvenience that you might not have incurred had you been separately represented from the outset.
8. In connection with the Program and our past and present relationships with each of you, you should also consider the following: *FFLGuard* exists to keep legal fees to a minimum based on the “cooperative and collaborative” framework upon which it was developed. *As a matter of course, neither the Group, nor anyone working with or on behalf of the Group or the Program, will directly represent the Bureau of Alcohol, Tobacco, and Firearms, nor the “Brady Center,” nor the “Mayors Against Illegal Guns” campaign, nor any previously unmentioned entity with interests diametrically, completely and totally adverse to the Program.*

Section 16. MISCELLANEOUS TERMS AND CONDITIONS.

- A. Notice of Occurrence. When an occurrence takes place which may result in a request for legal services pursuant to the Program, the Participant shall give emailed notice to the NCC as soon as practicable. Such notice

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shall specify particulars sufficient to identify the Participant and all reasonably obtainable information respective the time, place and circumstances of the occurrence.

- B. Assistance and Cooperation of the Participant. The Participant shall assist and cooperate with *FFLGuard* Attorneys and/or Consultants toward the resolution of any request for legal services, including but not limited to assisting with discovery and appearing for depositions, hearings and trial. Failure to cooperate may result in termination as set forth in Section 9, above.
- C. Subrogation. In the event of any payment under the Program, the Program shall be subrogated by to the extent of payment to the Participant's right of recovery against any person, agency, organization, political subdivision or any other entity. The Participant shall execute and deliver instruments and other documents and do whatever else is necessary to secure and pursue such rights. The Participant shall do nothing to prejudice such rights. In the event that subrogation is not permitted for any reason, and the Participant is entitled to receive or receives payment as the result of any such right of recovery, the Participant shall reimburse *FFLGuard* for all amounts paid by the Program on behalf of the Participant, up to the amount which the Participant receives.
- D. Cancellation.
1. A Participant may cancel participation in the Program for any reason, by:
    - a. giving written notice (which includes but is not limited to an email) to the NCC directly, by email, no less than twenty-one (21) days prior to the anniversary of the Participant's effective date of participation; and
    - b. completing the *FFLGuard* Online Exit Interview.
  2. A Certificate of Participation, or the participation of an individual Participant, may be canceled by the Group for non-payment of Fees, discontinuation of the Program, or because of the Participant's ineligibility. Notice shall be given by email to a canceled Participant at the email address provided by the Participant stating the effective date and time of cancellation. The effective date and time of cancellation state in the notice shall be the date and time of termination.
  3. Emailing of such written notice of cancellation either by the Participant or by the Program shall be equivalent to mailing.
  4. If the Group cancels a certificate of participation, or an individual Participant cancels a certificate of participation, all Fees shall be deemed earned. Any unearned retainer for additional legal services shall be returned to the cancelled Participant. Refunds

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may be made either on the date cancellation is effective or as soon as practicable thereafter.

- E. Nonrenewal. If the NCC declines to renew a Participant's participation in the Program, the NCC shall mail or deliver to the Participant at the address shown in the declarations written notice of the nonrenewal not less than twenty-one (21) days before the expiration date of the Certificate of Participation. The mailing of notice shall be sufficient proof of notice.
- F. Automatic Renewal After Opt-Out Notification. If the NCC agrees to renew a Participant's participation in the Program, the Participant will be notified that the subsequent year's Yearly Fee will be automatically re-invoiced and collected in the same fashion it was collected in the prior year using information on file. The Opt-Out Notification will occur on a date no less than twenty-one (21) days before the Participant's anniversary date of joining the Program.
- G. Non-assignments. The interest of any Participant in the Program, and the Program's legal services, are not assignable without permission by the NCC.
- H. Death or Incompetency. If a Participant dies or is adjudged incompetent, the Program shall terminate on the date of death or incompetency as to that Participant. The Program shall pay legal services to or on behalf to the Participant's legal representative with respect to covered Legal Defense Fees incurred to the date of death or incompetency.
- I. Conformity to Statute. Terms of a certificate of participation which are in conflict with applicable statutes are hereby amended to conform to such statutes.
- J. Matter Opening Fee. In lieu of continued billing by the NCC in its oversight capacity over *FFLGuard*-approved counsel for matters that fall outside the Fund, the NCC may, at its discretion, invoice the client for a one-time fee.
- K. Interruption Fee. Participants who no longer participate in the Program after participating for any amount of time are subject to additional fees payable to the Fund to account for the Participant's absence from the Program. Additionally, upon joining the Program for a second (or subsequent) time, any matter that requires immediate attention will not be billed at the *FFLGuard* Attorney or Consultant's courtesy (lesser) rate normally afforded to *FFLGuard* Participants.
- L. Electronic Mail Requirements. Participants agree that if he/she does not

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currently have an electronic mail account, the Participant MUST open one immediately to continue any representation by the Group. Additionally, the Participant agrees that all correspondence sent by, or any notices issued from *FFLGuard*, the Group, its agents, co-counsel, affiliates, or any counsel or professional working with the Group or *FFLGuard*, may be sent to the Participant, and the Participant will receive and review it, by electronic mail. The participant agrees that his/her failure to review said electronic mail for any reason, including but not limited to any technical errors that may occur during the electronic mail process, shall not be construed as failure by *FFLGuard*, the Group its agents, co-counsel, affiliates, or any counsel or professional working with the Group or *FFLGuard*, to properly send Participant notice or correspondence.

- M. Confidentiality. By participating in the Program, all Participants agree that all work performed by the Company, the Group, *FFLGuard*, its attorneys, subject matter experts, professionals, employees and agents, as well as co-counsel and/or para-professionals working on behalf of the Program, with regard to Program representation, and as communicated to all *FFLGuard* participants in connection with Program representation, shall be accomplished pursuant to the work-product and the attorney-client privilege and to the “joint defense doctrine” and all other applicable rights and privileges. Any information shared outside these privileges will be done only as determined to be necessary and under a level of confidentiality that is reasonable under the circumstances, and all efforts to maintain Participant anonymity within the Program shall be undertaken at all times.
- N. Fee Disputes. *FFLGuard* will make every effort to respond to any fee inquiries clients may have, and any disagreement with any item on any bill. Failure to object to any invoice within thirty (30) days will be deemed to evidence a client’s agreement with and acceptance of that invoice. Any dispute arising out of or relating in any way to any billing from *FFLGuard* will be resolved either by fee arbitration in accordance with the rules of court or by final, binding, conclusive and confidential arbitration before a retired judge of the Superior Court of New Jersey or the United States District Court, sitting as a single arbitrator in a summary fashion. The parties shall agree upon the appointment of such an arbitrator and, failing agreement, may petition the Superior Court to appoint one. The arbitrator shall determine all procedural rules and questions.

Section 17. PROGRAM TERRITORY. The legal services afforded by this Program apply only to Legal Defense Fees for suits or proceedings brought within the United States of America.

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Section 18. PROGRAM'S AUTHORITY OVER COUNSEL. The NCC shall have sole authority to approve, contract with and list *FFLGuard* Attorneys and Consultants, and to render legal services to Participants. Participants are free to select counsel other than *FFLGuard* Attorneys. However, the Program is not obligated to utilize the Fund to pay for, and shall not pay for, such representation except on the terms and conditions arranged by *FFLGuard*, at *FFLGuard*'s sole discretion.

Section 19. INTERPRETATION OF THE PROGRAM. The construction and interpretation of the Program provisions are vested with the NCC in its absolute discretion, including but not limited to the determination of acts, privilege legal services, eligibility and all other Program provisions. The NCC shall endeavor to act, whether by general rules or by particular decisions, so as to treat all persons in similar circumstances without discrimination. The Group's constructions, interpretations, determinations and decisions shall be final, conclusive and binding upon all persons having an interest in the Program.

Section 20. REQUESTS FOR LEGAL SERVICES.

- A. A Participant shall promptly notify *FFLGuard* of:
1. any occurrence the Participant has reason to believe may result in a request for legal services under the Program;
  2. any communication the Participant receives concerning a pending or threatened request for legal services, action or proceeding which may result in a request for legal services under the Program; and
  3. any request for legal services under the Program.

Notice must be emailed to *FFLGuard* within seventy-two (72) hours of any foregoing event.

- B. The Group shall make a decision on any request for legal services promptly, including whether or not access to the Fund is available to the Participant, unless special circumstances require an extension of the time for processing. In such a case, a decision shall be made as soon as possible, but not later than seventy-two (72) hours after receipt of the request for legal services. If the Group denies access to the Fund pursuant to a request for legal services, in whole or in part, *FFLGuard* shall send the Participant and the Group a written notice, prepared in a manner calculated to be understood by the Participant, setting forth:
1. the specific reasons for the denial;
  2. specific reference to pertinent Program provisions on which the denial is based;
  3. if applicable, a description of any additional material or information necessary for the Participant to perfect the request for legal services and an explanation of why such material or information is necessary; and

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4. an explanation of the Program's review and appeal procedure.

Section 21. **SEVERABILITY.** If any provision of this Program Description or attachments is found to be invalid, unlawful or unenforceable, all other provisions shall remain in full force and effect.

Section 22. **ENTIRE AGREEMENT.** This Program Description, along with any further terms set forth in the Retainer Letter executed with this Program Description represent the entire agreement of the Group and Participant. No other purported terms and conditions shall be controlling.

Section 23. **CURRENT FFLGuard ORGANIZATIONAL STRUCTURE.**

***National Coordinating Counsel***

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Phone: (888) 335-4731 x711

***Preferred Counsel for NFA Trust Issues***

David Goldman, Esq.  
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**Schedule "A"**  
**FFLGuard FEE SCHEDULE**

**Basic Services\***

- Individual Participant Engagement Fee PER YEAR†‡ **\$2,995.00**
- Any operation with aggregate wholesale or retail sales of up to 10,000 guns per year (subject to adjustment)
  - Payable by credit card (Visa, MasterCard, Discover, AMEX)
  - Payable by faxed check (CHAX) or through authorized wholesale distributor reseller for 5% discount (\$2,850/year)
  - Payable by credit card installment plan (\$275/month or \$3,300/year)

**Elite Services\***

- Individual Participant Engagement Fee PER YEAR†‡ **\$2,625.00**
- Any operation with aggregate wholesale or retail sales of up to 10,000 guns per year (subject to adjustment)
  - Requirement of 1 year in tenure and 10 points in Additional Services (5 points of which must be a DeepDIVE in last 3 years)
  - Payable by credit card (Visa, MasterCard, Discover, AMEX)
  - Payable by faxed check (CHAX) or through authorized wholesale distributor reseller for 5% discount (\$2,495/year)
  - Payable by credit card installment plan (\$225/month or \$2,700/year)
  - *\*Legacy clients (top 10% of clients based on tenure) receive ELITE services at "best available rate" (currently \$2,350 via CHAX only) with no additional requirements necessary.*

**Corporate Services**

- Engagement Fee (up to 4 FFLs) PER YEAR†‡ **\$9,995.00**
- Any operation with aggregate wholesale or retail sales of over 10,000 guns per year –OR– standing inventory in excess of 2,500 firearms
  - All additional FFLs billed at ELITE rate in addition to Engagement Fee
  - Includes dedicated POC and development of Immediate Action Plan

**Executive Services**

- Engagement Fee PER YEAR†‡ **TBD**
- Any operation with aggregate wholesale or retail sales (or inventory) of over 100,000 guns or aggregate revenues in excess of \$750M per year
  - Includes dedicated POC with FFLGuard team on staff

**\*Volume Adjustment (Basic/Elite/Legacy Only)**

5000-9999 firearms sold: **+\$2,000.00**

**"Safe Seller" Discount (10%) (Basic/Elite/Legacy Only)**

If FFL was subject to ATF inspection during the previous year, and had no violations or only received an ATF Report of Violations with no further administrative action, then additional 10% discount on Yearly Fee applies.

**Approved Group Discount (Basic and Elite Only)**

Members of approved groups receive 10% (approximated) discount by CHAX only.

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**Schedule "A" (con't)**  
**FFLGuard FEE SCHEDULE**

**Additional Services**

Deep DIVE (Mock ATF Audit)*	(5 points)	\$150.00-\$175 per hour/Pro
Development of S/O/P for Participant	(4 points)	TBD
Half-Day Staff Training*	(3 points)	\$1,495.00
Half-Day Document Review (On-Site)*	(3 points)	\$1,495.00
Comprehensive Web-based Training Program	(3 points)	\$95.00 per course, per person
RecordSentinel Service	(1 point)	\$350.00 or \$1,100.00 per year (4x)

**Other Additional Services and Yearly Service Plans**

NFA – YSP	(2 points)	\$995.00
California – YSP	(3 points)	\$1,995.00
OpSec – YSP	(3 points)	\$1,495.00
UpStart	(5 points)	\$750/\$1500/\$2250
FreshStart	(5 points)	\$995.00

**Ancillary Services**

Matter Opening Fee	\$250.00
Interruption Fee	\$995.00 per year/per FFL
Hourly Fees	See <i>FFLGuard</i> "Courtesy Rate" Schedule

† The Group reserves the right to adjust the Fee to encourage participation from prospective clients as may positively affect the Fund and/or the Program.

‡ Subject to price adjustment based on Participant payment method.

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**Schedule "B"**  
**FFLGuard PERSONNEL RATE SCHEDULE**

**"COURTESY RATE"**  
**(For FFLGuard Client Services other than Basic Services and Additional Services)**

Christopher M. Chiafullo, Esq.	\$395/hr.
John Renzulli, Esq.	\$395/hr.
Chris Renzulli, Esq.	\$375/hr.
Michael Patrick, Esq.	\$350/hr.
Scott Allan, Esq.	\$325/hr.
Michael Bouchard	\$225/hr.
James Zammillo	\$225/hr.
Rick Vasquez	\$225/hr.
Mark Finnerty	\$225/hr.
-	
Other Attorneys and SMEs	\$250-\$450/hr.
Professional/Team Leaders	\$225/hr.
Professionals	\$175/hr.
Legal Assistants, Paralegals, Case Managers, and Para-Professionals	\$100-\$150/hr.

**"NORMAL AND CUSTOMARY RATE"\***  
**(For Non-FFLGuard Clients)**

Christopher M. Chiafullo, Esq.	\$495/hr.
John Renzulli, Esq.	\$495/hr.
Chris Renzulli, Esq.	\$475/hr.
Michael Patrick, Esq.	\$450/hr.
Scott Allan, Esq.	\$425/hr.
Michael Bouchard	\$325/hr.
James Zammillo	\$325/hr.
Rick Vasquez	\$325/hr.
Mark Finnerty	\$325/hr.
-	
Other Attorneys and SMEs	\$325-\$575/hr.
Professional/Team Leaders	\$250/hr.
Professionals	\$225/hr.
Legal Assistants, Paralegals, Case Managers, and Para-Professionals	\$150-\$225/hr.

\* Any Participant who joins HOT is **not** eligible to gain access to "courtesy" rates for FFLGuard personnel, **but will be afforded a reduction in normal and customary rates by 15% across the board.**

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**Schedule "C"**  
**FFLGuard, LLC SERVICES FEES**

*All Additional Retainers subject to FFLGuard, LLC Services Fee of 2.5%*

- > Payable by credit card (Visa, MasterCard, Discover, AMEX);
- > Payable by faxed check (CHAX) with 2.5% discount.

*All Additional or Ancillary Services are subject to:*

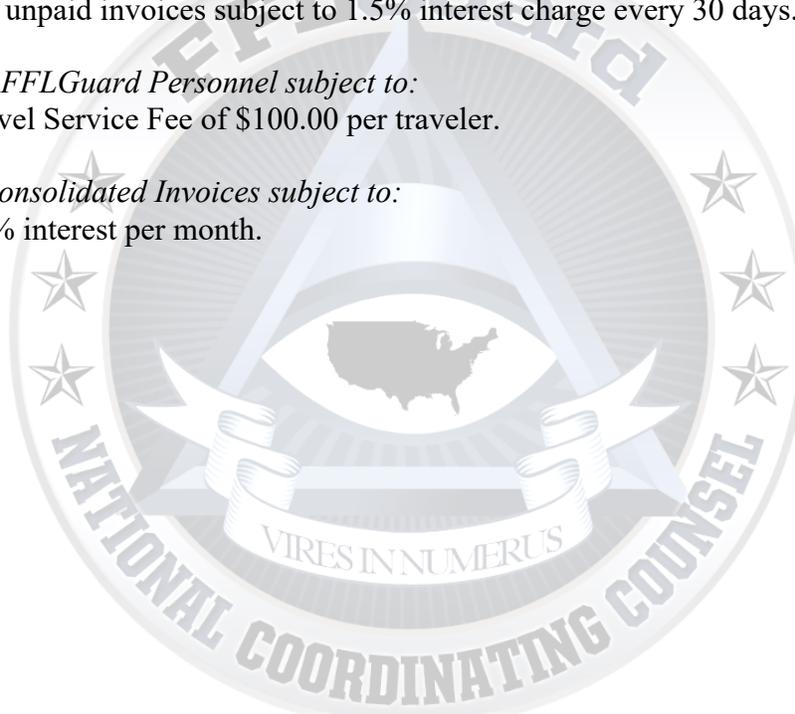
- > An upfront retainer requirement, with the amount to be determined by NCC and/or as set forth in our [Frequently Asked Questions](http://www.fflguard.com) section at [www.fflguard.com](http://www.fflguard.com);
- > A standard *FFLGuard, LLC Services Fee* of 5%;
- > Payable by credit card (Visa, MasterCard, Discover, AMEX);
- > 2.5% discount available if paid by faxed check (CHAX);
- > Additional 2.5% discount available if paid within seven (7) days;
- > All unpaid invoices subject to 1.5% interest charge every 30 days.

*All travel by FFLGuard Personnel subject to:*

- > Travel Service Fee of \$100.00 per traveler.

*All unpaid Consolidated Invoices subject to:*

- > 1.5% interest per month.



**FFLGuard is a firearms compliance and legal services program directed by a law firm,  
The Chiafullo Group, LLC.**

**FFLGuard IS NOT INSURANCE OR PRE-PAID LEGAL SERVICES**

**FFLGuard IS ACTIVE REPRESENTATION PURSUANT TO AN ATTORNEY/CLIENT RELATIONSHIP**

All professional services, privileges, terms and conditions of the Program are governed by the Agreement, plus the Agreement's attachments, which include but are not limited to this Program Overview and Description, as executed by the Group and the Participant. Interpretation of the Program, including professional services available, Participant access to the Fund, and the cost of all services, is vested exclusively with the Group as NCC, in its absolute discretion. Program legal services are EXCESS over all insurance plans and/or similar such coverage held by the Participant. The Program is subrogated to all rights to recover against any person or entity and has a right of payment from any such recovery.

Effective dates for participation in the Fund shall be the first day of the first full month ninety (90) days after a Participant's Client Information Statement ("CIS") is received, the Fee is paid, and the Agreement between the Group and the client is executed. Applications to participate in the Program that are not fully and accurately completed cannot be processed and may result in ineligibility for, and non-payment of, FFLGuard sponsored legal services through the Fund. Any person or entity who is subsequently determined not to be eligible to participate or to receive legal services paid for by the Program as of the date that a client's need for legal services arises, will not receive payment of legal services by the Program.

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***THE FFLGUARD PROGRAM OFFERED BY FFLGUARD, LLC AND DIRECTED BY THE CHIAFULLO GROUP, LLC, IS NOT AN INSURANCE POLICY AND IS NOT PRE-PAID LEGAL SERVICES; THE CHIAFULLO GROUP, LLC IS A LAW FIRM OFFERING ACTIVE LEGAL REPRESENTATION PER ENGAGEMENT BY FFLGUARD LLC, AND DOES NOT OPERATE AS A NOT-FOR-PROFIT ORGANIZATION; THE FFLGUARD PROGRAM DIRECTED BY THE CHIAFULLO GROUP, LLC OFFERS CERTAIN LEGAL SERVICES TO ITS CLIENTS BY REDUCING, AND VOLUNTARILY ESCROWING, PART OR ALL OF THE FEES GENERATED BY THE REPRESENTATION OF ITS CLIENTS, AND IS AUTHORIZED TO UTILIZE THOSE FEES AS SET FORTH IN THE CLIENT'S ENGAGEMENT AGREEMENT WITH THE CHIAFULLO GROUP, LLC.***

For questions and information on enrollment procedures, requests for professional services, FFLGuard Attorneys or Consultants, and HelpDesk inquiries, please contact:

**info@fflguard.com**

**-OR-**

**Phone and Fax: 1-888-335-4731**

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