



MORTGAGE BROKER/AGENT SUBCONTRACTOR AGREEMENT

This Agreement is made as of _____, 20____, between

2242532 Ont Ltd, (hereafter referred to as “Expert Mortgage”)

a Corporation incorporated under the laws of Ontario,

and

Name of Agent/Broker

_____, (hereafter referred to as “you”).

For good and valuable consideration paid by each party to the other, the receipt and sufficiency of which are acknowledged by each party, the parties to this Agreement agree as follows:

ROLES

- a) EXPERT MORTGAGE is registered as a mortgage broker pursuant to the Mortgage Brokers Act of Ontario (the “Act” and the “Province”).
- b) You are/will be licensed as a(n):
Broker or, Agent

REGISTRATION

- c) You must be licensed under the MBLAA as a person authorized to arrange or deal in mortgages in order to provide the services described in this Agreement. You must abide by all legal, regulatory and ethical requirements of the applicable laws governing the conduct of mortgage brokers/agents in the Province. If your license is cancelled or you receive any communication from a regulatory or police authority regarding your actions or inactions you must immediately notify EXPERT MORTGAGE.

RELATIONSHIP, TAXES AND E&O INSURANCE

- d) Your relationship to EXPERT MORTGAGE is that of an independent contractor. You are not an employee of or a partner of EXPERT MORTGAGE. Nothing in this Agreement may be construed to make you an employee or agent of EXPERT MORTGAGE.
- e) You must withhold and promptly remit all deductions, payments and contributions required by law for income tax, employment insurance and the Canada Pension Plan with respect to this Agreement.



- f) EXPERT MORTGAGE agrees to cover you under its ERRORS & OMMISIONS policy. All premiums due in respect of your coverage under that policy will be paid for by EXPERT MORTGAGE.

REMUNERATION

- g) EXPERT MORTGAGE will pay commissions/fees to you, or to any other person which you direct, on the basis described in the Commission/Fees Schedule. If a lender pays commissions/fees to you, you will pay to EXPERT MORTGAGE the portion of such fees that EXPERT MORTGAGE is entitled to under the Commission/Fees Schedule.
- h) If EXPERT MORTGAGE terminates your services pursuant to this Agreement, EXPERT MORTGAGE will permit you to complete any pending mortgage brokerage transactions and will pay commissions/fees for such mortgage brokerage transactions as set out above.
- i) You will ensure EXPERT MORTGAGE has at all times your current residential address, and if after termination of this Agreement you fail to do so for a continuous period of 30 days then after such period, and notwithstanding any other provisions of this Agreement, EXPERT MORTGAGE shall have no further obligation to make any payments to you for any amounts.
- j) EXPERT MORTGAGE may withhold payment to you or on your behalf on any mortgage transaction
- i) That it determines in its sole discretion does not comply with the terms of the MBLAA (or any other applicable legislation or requirement in the jurisdiction) or for which you have failed to provide to EXPERT MORTGAGE all required documentation, as determined by EXPERT MORTGAGE from time to time, or
 - ii) During any period you are in default of your obligations under any terms of this Agreement until you rectify such matter to the satisfaction of EXPERT MORTGAGE.

If you have not rectified the matter within 30 days after notice of it is given to you, EXPERT MORTGAGE will have no further obligation to make any payment to you or on your behalf in respect of such transactions. Notwithstanding any other provisions of this Agreement, for Your mortgage transactions that remain Deficient, or for which a file has not been received by EXPERT MORTGAGE, for a period of nine months after the funding date, EXPERT MORTGAGE has no obligation to pay any amounts owed to you or on your behalf for such transactions.



EXPENSES

You must pay all your expenses and all administration fees applicable to you under this Agreement. You will repay to EXPERT MORTGAGE any expenses paid by EXPERT MORTGAGE on your behalf or on behalf of any person engaged in the mortgage brokerage business employed by or under contract with you. You are responsible for the cost of maintaining your license through FSCO. **You will NOT be responsible for the cost of credit inquiries or errors & omissions insurance.**

ENTIRE AGREEMENT

This written agreement (the “Agreement”) constitutes the entire agreement between the parties relating to the subject matter hereof and all previous agreements between the parties relating to such matters are hereby terminated. This Agreement includes all the Schedules attached hereto and all references to this “Agreement” include those Schedules. This Agreement may be amended by written amending agreement executed by both parties or by a written notice of amendment delivered by EXPERT MORTGAGE to you at least 60 days prior to the effective date of the amendments set out in such notice. No course of conduct or continued failure of either party to enforce any provision of this Agreement shall be deemed to constitute an amendment of this Agreement or a waiver by such party of its right to later require compliance with the Agreement. The invalidity or unenforceability of any provision of this Agreement shall not affect any other provision of it, but the Agreement shall be construed as if the invalid or unenforceable provision had been omitted. The headings in this Agreement are solely for convenience of reference and do not affect the interpretation thereof or define or limit the contents of any provision of this Agreement.

TERMINATION

- k) This Agreement will continue until terminated as provided in this Section. You may terminate this Agreement by giving 30 days prior written notice to EXPERT MORTGAGE.
- l) EXPERT MORTGAGE may terminate this Agreement immediately upon notice to you if you breach this Agreement or applicable law; otherwise, EXPERT MORTGAGE may terminate this Agreement by giving You 30 days prior written notice.

GOVERNING LAW and ASSIGNMENT

This Agreement is governed by and must be construed in accordance with the laws of the Province and the laws of Canada applicable in the Province.





MORTGAGE BROKER/AGENT SUBCONTRACTOR AGREEMENT

This Agreement may not be assigned by you without the prior written consent of EXPERT MORTGAGE, and shall inure to the benefit of, and be binding upon, the Parties hereto and their respective successors and permitted assigns.

SURVIVAL

If any sections of this Agreement are deemed to be unenforceable, no other sections shall be affected and all applicable sections shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed and sealed this Agreement as of the date first above written.

This will be your good and sufficient authority for doing so.

EXPERT Mortgage Ltd

by: _____

Title: _____

SIGNED, SEALED AND DELIVERED in the presence of:

Witness' signature (and print name):

Broker/Agent:



Schedule 1 Commission/Fees

Definitions

“Commission/Fees” means Commissions, EXPERT MORTGAGE Specific Program Amounts, Lender Rebates, Broker Fees and Other Amounts, each as defined below, paid to EXPERT MORTGAGE or to you in trust for EXPERT MORTGAGE.

“Broker Fees” means all amounts paid by clients for mortgage broker services provided by you or your Associates.

“Commissions” means all consideration paid by lenders in respect of your mortgages, but excludes Volume Bonuses paid by lenders for mortgage volumes and EXPERT MORTGAGE Specific Program Amounts.

“Lender Rebates” means all consideration paid by lenders as rebates for amounts paid to third parties such as appraisers, CMHC, and so on.

“Year” means January 1 to December 31.

Commission Splits

EXPERT MORTGAGE Brokers & Agents

Splits for all EXPERT MORTGAGE brokers & agents are **75% to the agent and 25% to the brokerage.**

There will be no other ongoing “administrative” fees, such as “desk fees”, cost for errors & omissions insurance, or cost for credit inquiries.

All new agents must pay a one-time \$1,000 “ineptitude deposit”. That money will be held by EXPERT MORTGAGE until the new agent closes his first deal, at which time the \$1,000 deposit will be **REFUNDED IN FULL** in addition to the regular commission payable to the agent on the respective deal.



Schedule 2

General Terms and Conditions

NO AUTHORITY TO BIND EXPERT MORTGAGE

- a) You have no authority to bind EXPERT MORTGAGE in any manner for anything, to negotiate any agreement on behalf of EXPERT MORTGAGE or to execute any document for EXPERT MORTGAGE, unless expressly authorized to do so by written instrument duly executed by both the President and Secretary of EXPERT MORTGAGE.
- b) You must not under any circumstances endorse or negotiate on behalf of EXPERT MORTGAGE any cheque or other instrument representing monies payable to EXPERT MORTGAGE.

FEES/ALLOWANCES

All money and other consideration received by you from any lender, client or other source relating to i) your mortgage business and ii) services you make available to mortgage clients such as insurance, shall be deemed to be received by you on behalf of EXPERT MORTGAGE and must be immediately paid or delivered to EXPERT MORTGAGE. EXPERT MORTGAGE will treat such money and other consideration as Commissions/ Fees under this Agreement.

EXPENSES and INDEBTEDNESS

- a) You must pay all of your expenses relating to mortgage transactions, including but not limited to any amounts paid by EXPERT MORTGAGE on your behalf for any purpose. Without restricting the generality of this requirement, you must pay all of the following expenses whenever incurred by you: travel, entertainment, food and lodging; fuel, repair and maintenance of automobiles; costs of attending conventions and educational or development conferences; advertising in excess of that regularly provided by EXPERT MORTGAGE in its sole discretion; business cards; stationery; trade association membership; Registration fees; errors and omissions insurance (“E&O Insurance”) deductibles payable as a result of claims levied against you or Expert Mortgage with respect to your services under this Agreement and the legal defense of such claims; credit report costs; supplies obtained from Expert Mortgage; referral fees; answering service costs; courier costs; and premiums for group insurance.
- b) You must promptly reimburse Expert Mortgage for the payment by it of any of the foregoing expenses.



- c) If You become liable to pay to Expert Mortgage any monies, whether under this Agreement or otherwise, then Expert Mortgage may withhold from the funds in its possession or under its control that would otherwise be payable to or for you or any amounts Expert Mortgage reasonably deems necessary to reimburse it for such liabilities and may apply such withheld amounts towards such liabilities.
- d) If You are indebted to Expert Mortgage when this Agreement is terminated, then until such debt has been repaid, the amount outstanding from time to time will bear interest at the rate of 3% per month calculated and payable monthly with interest on overdue interest at the same rate.
- e) Under no circumstances is Expert Mortgage responsible for any expenses incurred by you in the performance of your duties.

DISPUTED TRANSACTION

- a) You must promptly notify Expert Mortgage in writing of any claims, demands, disputes or potential legal actions, (“Claims”), against you relating to your mortgage business or to any other business matter. You will provide reasonable particulars of any such Claim to Expert Mortgage and if it reasonably determines in its sole discretion that its reputation with any regulator, business, clients or the public may be damaged by such Claim then it will have the right to participate in any negotiations with respect to it, and to dispute, contest or settle such Claim.
- b) Expert Mortgage will provide prompt notice in writing to you of any claims, demands, disputes or potential legal actions for which you may be, or become, liable under the terms of this Agreement. In this regard, Expert Mortgage will provide reasonable particulars of such claims, demands, disputes or potential legal actions, and you will have the right to participate in any negotiations with respect to them and to dispute and contest any such claim, demand, dispute or potential legal action. Expert Mortgage’s failure to provide such notice does not relieve you of your obligations under this Agreement.
- c) In the event that a mortgage transaction should involve Expert Mortgage in a possible claim, demand, dispute or legal action, or if Expert Mortgage determines, in its sole discretion, that the Commission/Fee payable with respect to a mortgage transaction is in jeopardy, Expert Mortgage may withhold payment of any amounts payable to you under this Agreement until the claim, demand, dispute or legal action is finally resolved or until such Fee is paid.



INSURANCE

In connection with the mortgage transactions contemplated by this Agreement, You must not (a) solicit a client's participation in a group creditor life, disability or other insurance policy ("Policy"), (b) negotiate the terms of a client's participation in any Policy, (c) enroll a client in any Policy or (d) perform an insurance needs assessment for a client or prospective client or engage in any other activity that might be construed as conducting any insurance activities in violation of applicable insurance licensing or other legal requirements. In connection with mortgage transactions, however, you may ask a client or prospective client whether he or she would like to participate in a Policy that has been approved by Expert Mortgage and, when appropriate, may assist the client in the completion of any related application. You may not present to a client any application for or information about a Policy that has not been approved by Expert Mortgage.

INDEMNITY

You must faithfully discharge your duties under this Agreement and must at all times after the date of this Agreement indemnify and hold Expert Mortgage harmless from and against all losses, costs, damages, expenses, penalties and fines that Expert Mortgage may pay, sustain or be put to by reason of any act, omission, mismanagement, embezzlement, neglect, misrepresentation or default of or by you, including, without limitation, all claims, demands, interests, penalties and expenses made in relation to (a) income tax, employment insurance and Canada/Quebec Pension Plan contributions with respect to the provision to Expert Mortgage of your services under this Agreement and (b) compliance or non-compliance with applicable law.

INSURANCE WITHHOLDING

Upon receipt of any claim of any wrongful or negligent act or failure to act by you, Expert Mortgage may immediately withhold, from the funds in its possession that would otherwise be payable to or for you, an amount equal to any deductible that might be payable under the E&O Insurance policy covering you. Further, upon notice to you, Expert Mortgage may withhold, from the funds in its possession that would otherwise be payable to or for you, additional amounts sufficient fully to pay Expert Mortgage's reasonable estimate of the maximum amount it could be found to be liable to pay by reason of any anticipated loss, cost, damage, expense, penalty or fine to or of Expert Mortgage attributable to your wrongful or negligent act or failure to act.



ARBITRATION

If any dispute regarding Commissions/Fees should arise between Expert Mortgage and you or between you and any other person retained by Expert Mortgage, such dispute will be referred to arbitration for determination and such arbitration will be governed by the Arbitration Act of Ontario.

ASSIGNMENT RIGHTS

You may not assign any of your rights or obligations under this Agreement. Expert Mortgage may assign its rights and obligations under this Agreement to any successor to Expert Mortgage's business or any part of that business, at which time Expert Mortgage will be relieved of all obligations under this Agreement arising subsequent to the date of such assignment.

COMPLIANCE and SUPERVISION

You must comply with all applicable laws and regulations pertaining to your activities

PROFESSIONALISM

- a) You must complete all ongoing training as determined from time to time by Expert Mortgage
- b) You must conduct yourself at all times as a professional and with integrity.
- c) You must not assist any client in submitting any fraudulent or misleading information to a lender, to Expert Mortgage, or to any other person, and you must not knowingly or willfully permit a client to do so, even without your assistance.

REPRESENTING Expert Mortgage

All mortgage transactions in which you have an interest, directly or indirectly, must be conducted through Expert Mortgage and must be reported to and processed through Expert Mortgage on a timely basis. In addition, you may not have any direct or indirect interest in any other mortgage business. You are expected to work full time on your mortgage business for Expert Mortgage, but you may engage, or have a direct or indirect interest, in other non-mortgage related businesses unless prohibited under the MBLAA or other applicable law.



FILES

- a) For each mortgage application, you must maintain a client file for Expert Mortgage until You deliver such file to Expert Mortgage as set out below. This client file is the property of Expert Mortgage. You are entitled to copy any material from this file provided You have the client's written consent for you to keep such copies.
- b) For each funded mortgage transaction, within thirty (30) days of the funding date for the mortgage, You must deliver to Expert Mortgage the complete file containing all required documentation, as determined by Expert Mortgage from time to time.
- c) For each mortgage application that does not result in a funded mortgage, within thirty (30) days of the date You become aware that the client will not be arranging a mortgage through Expert Mortgage, You must deliver to Expert Mortgage the complete file containing all required documentation, as determined by Expert Mortgage from time to time.
- d) Within fourteen (14) days of the termination of this Agreement You must deliver to Expert Mortgage all files in Your possession or under Your control for i) all funded mortgages and ii) all other mortgage applications that have for whatever reason not yet resulted in a funded mortgage.
- e) Expert Mortgage and its authorized representatives may, during regular business hours and without prior notice to You, enter into any office or other location where You store client files to determine which of those files relate to mortgage applications and to audit, copy or remove such files, provided that You shall be given a reasonable opportunity to make copies of any material in such files that You are entitled to keep with such client's written consent. This Agreement shall constitute Your written authorization and instruction to any other person holding or controlling files on Your behalf to permit Expert Mortgage and its authorized representatives to enter into the location of those files and to access those files for the purposes set out in this paragraph.

MARKETING, TRADEMARKS AND LOGOS

- a) You must adhere to Expert Mortgage's marketing policy at all times. All marketing materials must first be approved by Expert Mortgage before publication.



USE OF CONFIDENTIAL INFORMATION

- a) The term “confidential information” as used in this Agreement means information, in any form and stored in any manner, relating to Expert Mortgage, its clients or business that is not generally available to or used by others or the utility or value of which is not generally known to others, and includes:
1. Financial, business and personal information;
 2. Business and marketing plans, strategies and methods that are not standard industry practice, or that are not generally known in the industry; and
 3. Studies, client lists, charts, plans, tables and compilations of business information acquired or prepared by or on behalf of Expert Mortgage.

You must keep all confidential information strictly confidential at all times. You must not use or directly or indirectly publish or otherwise disclose at any time any confidential information (whether or not conceived, originated, discovered or developed in whole or in part by you). Expert Mortgage is the sole owner of all confidential information.

PROTECTION OF PERSONAL INFORMATION

- a) You must comply with all applicable legislation governing the protection of personal information with respect to mortgage transactions and its other business activities including Privacy Legislation and must ensure that neither your actions nor inactions cause Expert Mortgage to violate or breach any such legislation, and all Privacy Policies and Procedures of Expert Mortgage.
- b) The term “Privacy Legislation” as used in this Agreement means all laws, regulations, by-laws and ordinances that regulate the collection, use or disclosure of personal information about an identifiable individual or information about entities other than identifiable individuals in each jurisdiction in which Expert Mortgage carries on its business, and includes any guidelines or directives of any governmental agency or regulatory authority to which Expert Mortgage adheres in order to qualify to carry on its business in, or in connection with, any jurisdiction.



UPON TERMINATION OF AGREEMENT

- c) Within fourteen (14) days of the termination of this Agreement, You must comply with the following requirements and provide proof satisfactory to Expert Mortgage that you have so complied:
1. Destroy or deliver up as instructed by Expert Mortgage, all promotional materials bearing the Expert Mortgage Trade Name and Trade-marks, or any name or mark confusingly similar there to, including, without limitation, any and all business cards, pamphlets, forms, advertisements, brochures, letterhead, and sign age. You must also immediately remove all references to the Expert Mortgage Trade Name and Trade-marks, or any name or mark confusingly similar thereto, from any website which you operate or control, and you must require that third party websites remove any posting indicating that you are an Expert Mortgage broker/agent, or any posting suggesting that you are in any way affiliated with, or sponsored by, Expert Mortgage.
 2. For each computer you have operated or used for your Expert Mortgage mortgage services, you shall have the hard drives and any backup tapes or other storage media that have been used for such hard drives covering any period during which this Agreement was in effect, erased using “scrubbing” software that is approved for use by Expert Mortgage.
 3. Immediately cease all use of all Expert Mortgage Domain Names, be it as an Internet address, as part of an email address, in any promotional materials, or otherwise, and you agree that you will not register or use any domain name, in any manner whatsoever, that contains, or is comprised of the Expert Mortgage Trade Name or Trade-marks, or any name or mark confusingly similar thereto, at any time in the future.
 4. Immediately return to Expert Mortgage any and all property of Expert Mortgage (whether in electronic or hard copy form) including without limitation any other property which has been leased or rented by Expert Mortgage for use by you.
 5. You shall take all reasonable steps required by Expert Mortgage to assist in the orderly transfer of the information, documentation and other property of Expert Mortgage in your possession; and
 6. To the extent permitted by law, upon the termination of this Agreement any amounts due to Expert Mortgage by you arising shall be set-off against any monies due to you.
- d) You have not complied with all obligations as set out in this section as determined by Expert Mortgage in its sole discretion, then you acknowledge that Expert Mortgage, reserve the right to pursue any legal remedies against you available to protect and enforce its rights.



ENFORCEMENT

You acknowledged that a breach of any of the provisions of this Schedule by you will give rise to irreparable harm and injury non-compensable in damages. Accordingly, Expert Mortgage or such other party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing provision, in addition to any other legal remedies which may be available.

SURVIVAL

The provisions of this Schedule shall survive the termination of this Agreement and shall be enforceable notwithstanding the existence of any claim or cause of action by you against Expert Mortgage whether predicated upon this Schedule or otherwise.

