



280 S. Mangum St., Suite 550 Durham, NC 27701
919/490-6717 Fax: 489-8939

REGISTERED REPRESENTATIVE AGREEMENT

1. This contract is between you and Verity Investments, Inc. (VI).
2. VI is a broker/dealer, a member of the Financial Industry Regulatory Authority (FINRA). VI is also a company authorized by Verity Financial Group, Inc (VFG), formerly known as Verity Asset Management, Inc., to offer financial products and services through the VFG Sales Force..
3. Until this agreement is terminated you are authorized to offer VI authorized products and services offered from time to time by VI through the VFG Sales Force where you are properly licensed. You accept this appointment.
4. VI will pay or arrange for the payment of compensation to you on accounts established through the offering of these products and services. The procedure for calculation and payment of compensation will be as provided from time to time by VI in compensation schedules. If you violate this Agreement, VI will not be obligated to pay you or credit compensation to your account. No compensation is ever payable after termination of this agreement unless specifically provided in this or another written agreement between you and a VFG Company.
5. If any debts to VI are not repaid by outside agreement, then VI may collect these amounts from you. VI will not be obligated to proceed through the arbitration process described below to collect these amounts. In any proceeding to collect these amounts (i) your VI compensation statement will be conclusively presumed to state these amounts as of the particular date shown on that statement unless you notify VI in writing of any inaccuracy within 30 days after you receive the statement , (ii) you agree not to assert a counterclaim, defense or setoff in that proceeding to the payment by you of these amounts, and (iii) to the extent permitted by law, you authorize VI acting as your attorney-in-fact, to confess judgment on your behalf. VI will be entitled to recover reasonable attorneys' fees and other expenses incurred in the proceeding.
6. The arbitration procedures below will not apply to any dispute arising under this agreement if the arbitration rules under one of the following organizations by their terms govern: FINRA, the New York Stock Exchange, the American Stock Exchange or any exchange located in the United States upon which listed options transactions are executed. By signing this Agreement, you acknowledge that you have read the Arbitration Disclosure to Associated Persons Signing or Acknowledging Form U4.
7. In addition to those reasons for which this agreement may be terminated under terms outlined below, it will automatically terminate, without additional notice, for failure to maintain the appropriate licensing. Upon termination of this agreement you agree to pay any FINRA Termination Fee which is applicable at that time.
8. While appointed with VI, you agree not to hold an appointment with any other broker/dealer concurrently without expressed written consent from VI. Notification of dual registration from FINRA also constitutes grounds for termination of this agreement at the sole discretion of VI.

INDEPENDENT CONTRACTOR STATUS. You are an independent contractor, not an employee, which means you may exercise considerable discretion in how you conduct your business including choice of the persons from whom you solicit applications, the time and place of solicitation and the methods by which the desired results are to be obtained. We may from time to time prescribe rules with respect to conduct of the business which you agree to observe.

You may not, in the name of VI, enter into any contract or lease; incur any liability or obligation; maintain any bank account or secure credit. You may not deposit into your account any check or money order made payable to "Verity Investments Inc".

You are solely responsible for your own expenses including federal and state self-employment taxes, licensing and continuing education fees, and other expenses you incur.

While you are a VI Agent, you may use certain trademarks (including service marks, logos, designs or trade names) relating to VI, but only in connection with your marketing activities with VI. VI may change or discontinue these trademarks, or your rights to use them, at any time. These trademarks, including all associated goodwill, are the property of VI. You agree to use these trademarks only in the manner approved by VI.

You may only use literature and promotional materials supplied by VI. You may not engage in any form of advertising unless it is previously approved in writing by VI, and you may only use VI approved business cards and letterhead.

You do not need to be active full time within the VI Sales Force. While you are a VI Agent, you agree not to market any financial products or services except for those offered by VI, unless you have been explicitly authorized in writing by VI to do so. If you market any products or services, financial or non-financial, not offered by VI, you must expressly advise all customers that you are not then representing VI, and make it clear to customers whom you do represent. While you are a VI Agent, you may not engage in any activity that interferes with the business of the VI Sales Force. The indemnification provision under this agreement includes any harm resulting from your failure to comply with this Section.

LEGAL RESPONSIBILITIES. You must: comply with applicable laws, regulations and licensing requirements; comply with your agreements with VI; conduct your business in an honest and ethical manner; honestly and fairly describe the products and services of VI and those of its competitors; act in a manner that will protect and promote the goodwill of the reputation of VI; honestly and accurately assist in the completion of applications for any products or services of VI; sign any new form of Registered Representative Agreement that VI requires to be signed; and cooperate with VI in the conduct of its business. You must maintain the necessary licenses and certifications. You may not try to market any products or services, unless you are properly licensed to do so. You agree to know, comply with and be bound by the Operating Guidelines, which will be provided to you periodically by VI.

"Confidential Information" is non-public information pertaining to the business of VI and its affiliated Companies (a) provided to you or other VI Agents as VI Agents by VI or (b) developed by you or other VI Agents while acting as a VI Agent and obtained by you by being a VI Agent. Confidential Information developed by you or other VI Agents is considered owned by VI because it results from their or your activities as VI Agents for which you and they are being compensated. Confidential Information includes, among other things, customer lists, agent information, and investment account information. It does not include, however, information you possess or acquire independent of your activities or status as a VI Agent. Confidential Information under the law may be a trade secret which is a property right protected by law. You agree to treat this information as confidential, and not to use or disclose this information except as necessary to conduct your VI business. This restriction will continue to apply after termination of this agreement for two years.

TERMINATION CLAUSE. This contract shall terminate: (a) upon your death; (b) upon the giving of written notice by you or VI with or without any reason or cause. In the event of termination, you agree to repay any existing indebtedness to VI.

ARBITRATION. Except as otherwise provided in this agreement or another written agreement between you and VI, any dispute between you and VI (or any of its past or present officers, directors or employees) or between you and another VI agent (as long as VI Company or a VI subsidiary or any of their personnel is also involved as a party of the dispute) will be settled solely through Good Faith Negotiation as describe in the then current Operating Guideline on Good Faith Negotiation, or if that fails, binding arbitration. "Dispute" means any type of dispute in any way related to your relationship with VI or its affiliates that under law may be submitted by agreement to binding arbitration, including allegations of breach of contract, personal or business injury or property damage, fraud and violation of federal, state or local statutes, rules or regulations.

The arbitration will be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA). The arbitration will be held in the metropolitan area nearest where VI or the relevant VI affiliate has its principal place of business. Each party to the arbitration will select his/her/its arbitrator and provide the arbitrators name, address and telephone number to the other party. These arbitrators will appoint a third, neutral arbitrator. If the parties arbitrators cannot agree on a third arbitrator, the AAA will select the third arbitrator. A transcript of the proceeding will be made and the arbitrators will state their findings of fact and conclusions of law along with their award. If any court is asked to review the award, the court will review the entire record of the arbitration proceeding. The rules of evidence that would apply in any civil case in federal court will apply in the arbitration. The Federal Arbitration Act will govern the interpretation and enforcement of this section, notwithstanding any other provision of this agreement regarding which state laws apply. If one party prevails over the other party, the losing party will pay the winning party's expenses (including attorney's fees) in handling the arbitration or court proceeding to enforce arbitration or the arbitration award. If for any reason, there is an actual court case on any matter, you and VI or the relevant affiliate waive the right to a jury trial. VI and each VI affiliate and their officers, directors or employees and, if named as a party to a dispute with the foregoing, any other VI Agent, is intended to be a third party beneficiary of this provision and has the same right to enforce it as do you and VI. Injunctions in aid of arbitration are permitted.

ASSIGNMENT. This agreement is intended for the benefit of you and VI. VI may assign any portion of its rights or obligations to others. If any such assignment is made, and notice of the assignment is given to you or generally to the VI Sales Force, you will look only to the entity to whom the assignment is made for performance of that part of the agreement after that assignment. You may not assign or give a security interest in any of your commissions before they are received by you, except as provided in this section. You hereby assign to VI all your commissions and grant a security interest in them in favor of VI to secure your payment of all your debts and obligations to VI. VI may run credit, employment and other financial and background investigations concerning you and may use and communicate the results as reasonably necessary to conduct its business.

ENFORCEMENT AND INDEMNIFICATION. You will indemnify VI, its affiliates, officers, directors and employees against any harm you cause them at any time and against any claim by a third party because of harm you caused to the third party at any time, such indemnification to include the payment of attorney's fees and the costs of any appeals. The indemnified party may assert its rights to indemnification outside of arbitration

To protect the VI Sales Force and VI, VI may enforce your compliance with any restrictive covenant, confidentiality provision or trademark provision in your agreement with VI to the fullest extent permitted by law by injunction or other equitable remedies (without having to arbitrate) and will not be required to post a bond to do so. You agree that you are not excused from complying with any restrictive covenant or confidentiality provision because of any claim you have against VI. To the extent waiver is permitted by law, neither you nor VI will be entitled to consequential or punitive damages in any matter, arbitrated or not.

STIPULATIONS PERTAINING TO THE AGREEMENT. Any agreement between you and VI must be in writing and signed by an authorized officer of VI. Each agreement may be waived or amended only by a similarly signed writing. Any waiver will apply only in the specific instance and will not constitute a general waiver. Even if a part of this agreement is held to be void or unenforceable, the remainder of this agreement will be enforceable and any part may be severed from the remainder as appropriate.

To be effective, any notice that you give to VI needs to be sent by certified mail return receipt requested or overnight or other courier service, addressed to Verity Investments Inc, Inc. at 280 S. Mangum Street, Suite 550, Durham, NC 27701, Attn: President. Notices sent by VI to you may be sent by regular mail or overnight or other courier service to your home address or branch office address as shown in the VI records.

Upon termination of this agreement, you must immediately stop using all trademarks of VI, and unless VI otherwise agrees in writing, you must promptly deliver to VI all materials (including any copies, notes, and computer disks) that contain customer or agent information, other confidential information, and all inventory that reflects the VI company name.

This agreement will be effective when executed by you. You agree to send promptly a copy of the executed agreement to VI

This agreement will be governed by the laws of the State of North Carolina, except that, if for any reason its laws are held not to apply, then the laws of the jurisdiction in which your principal address is located shall govern.

If not terminated under one of its other provisions, this agreement will run for one year from the date of execution and will be renewable annually.

Signature

Date of Execution

Print Name

Social Security Number

Verity Investments, Inc., by:

Signature of Executive Officer

Date of Execution

Print Name